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GENERAL North wants regional Lead

tg deport

As the Scottish and Welsh voted for or against devolution yester-day, it was suggested that 40 per cent of people in the North of England would also welcome regional government.

And 62 per cent would be in ment Securities Index Iosing favour of kind of change if 0.42 to 70.18.

Scottish or Welsh devolution was made by the Campaign for the claim was made and the claim was made by the Campaign for the claim was made and the claim was made by the claim was made and the claim was made by the claim was made and the claim was made by the claim was made and the claim was made and the claim was made by the claim was made and the claim was made by the claim was made and the claim was made by the Campaign for the closed 97.32 down at 5,975.56, North following an opinion poll last week-end.

In Scotland, the latest epinion poll had the No and Yes voters neck and neck at 38 per cent each, with 24 per cent "Don't Knows." There has to be 40 per cent of the electorate in favour if a Scottish Assembly is to be guaranteed.

Polls in Wales indicate a resounding rejection of the Welsh Assembly proposal. The results in both Scotland in and Wales will he known later

> Crossing deaths Two railwaymen and a lorry driver were killed when an

inter-city train was in collision with a lorry at a level crossing at Lydney, Gloucestershire. Town hall defeat The fight to prevent the London

Borough of Sonthwark from building a £28.5m fown hall complex was lost when the council approved a 27 per cent household rate increase, including dellar's depreciated 2.15m provision for the town at 8.3 per cent.

Rhodesia raid

The Rhodesian air force raid on buildings used by ZANLA U.S. economic sucrillas 150 miles inside U.S. economic Mozambique was the sixth index lower Riodesian territory, Angola has . U.S. INDEX of leading announced increased support for economic legicators declined to

Ing at the Great Western Preservation. Society at Didcot.

Berkshire, and buridreds of BRITISH LEATHER industry steam enthusiasts bad to be as being hit by soaking prices hauled back in Preddington by for hides and cheap imports of finished goods, according to Mr.

Body hunt

Police in Bradford and Hull

Tanker crash

Farnham, Surrey, was scaled off after a diesel tanker ran out of • TGWU delegates have decided overturned, spilling 1,000 gallons of fuel. Four people were treated in hospital.

Minister jailed ---

Former Itelian Defence Minister Mario Tanassi was jailed for scandal. Page 2

Record 170,000 new divorce petitions were filed in 1977an increase of 24,000 on the previous year.

EEC Commission is giving 13.25m to a United Nations' effort to help 79.000 refugees from Laos. Vietnam and

Fishermen rescued e 17-yearold Vietnamese refugee girl who survived five months on a South Chine Sea coral island by eating dead seagulis and shellfish.

More Vietnam refugees arrive

GROUP of 47 Vietnamese refugees, the second party in the quota of 1,500 Britain bas accepted for settlement, arrived Kong. They will stay at Kenmonths before dispersing into the community.

C. W. T. L. C. W.

BUSINESS

Equities off 5.7; up £18

expected MLR cut failing to restore recent enthusiasm in the stock markets. The ET 30-share index closed 5.7 down at 476.1.

• GILTS became nervous after the Bank's move, the Govern-

• LEAD prices reached record



levels, the eash price jumping by £18 to £567 a tonne. ● GOLD fell \$21 to close at

• STERLING closed unchanged at \$2.0235, its trade-weighted index rising to 64.4 (64.3). The dollar's depreciation remained

WALL CTREET was 5.80 up at 811,62 near the close.

announced increased support for economic Indicators declined in January by 12 per cant the biggest fall in four years. This points to a significant contraction of the Great Western Press Rock Page.

finished goods according to Mr. Guy Reaks, director of the British Leather Federation Back-Page

were searching for the dismembered parts of the body of an Ford President and present 18-year-old girl after a man Chrysler Corporation President, volunteered information. has signed up an advertising agency which worked for Ford since 1945 to/handle exclusively Chrysler advertising. Back Page

control in the main street and to conduct an individual ballot overturned, spilling 1,000 of ambulancemen on the proposed public services peace formula and recommend them to accept. The decision may reduce the impact of today's 24-hour total strike ambulancemen Page 8

two years and four months for @ EUROPEAN Ferries is about corruption in connection with to embark on a \$250m (£124m) the \$2m Lockheed hribes commercial property develop-scandal. Page 2 ment in Denver, Colorado. Page

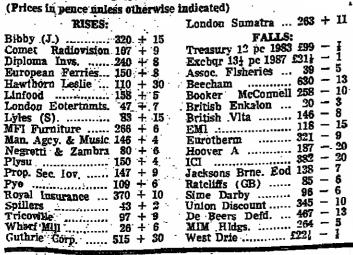
> SIME DARBY HOLDINGS. the Far Eastero multinational conglomerate, increased its bid for Guthrie Corporation, the UK plantation group, by £31m, and bought another 14 per cent of Guthrie shares Back Page and Lex

> • BRITISH AIRWAYS is dne to sign today a \$400m cootract for 19 Boeing 757 short-tomedium range jet airliners, which use the new Dash 535 version of the Rolls-Royce RB-211 engine. Page 4

UNION BANK of Switzerland reports a 6 per cent fall in net profits for 1978 to SwFr 250.3m \$150m). Page 23

• ORENSTEIN und Koppel (O in London yesterday from Hong und K), the Dortmund-based engineering and shipbuilding sington Barracks for three company, reports a 12 per cent rise in turnover in 1978 to DM1.13bn (\$611m). Page 23

CHIEF PRICE CHANGES YESTERDAY



BOC agrees to price freeze but challenges report

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

BOC last night agreed to freeze its prices for industrial gases for a year following a tough Price Commission report yesterday recommending that no price rise should be allowed.

For the first time since the commission was set up in August, 1977, it decided to use its full powars to block BOC's proposed 9.8 per cent price rise for a range of industrial gases. Previously, the commission had only cut prices increases sought by hig companies.

The commission decided management inefficiency, over-staffing, stock thefts and phoney productivity deals, maant that BOC had aufficient scope to recover increased costs through improved efficiency.

But BOC last night-although reluctantly agreeing to freeze prices voluntarily rather than face a Government Order enforcing the freeze—bitterly challenged the content and tone of the report.

Clash

BOC's challenge to the accuracy of the commission's report has caused a direct clash between two major City accountancy firms. The Price Thomson Commission McLintock as its advisers, while BOC's auditors—Coopers and Lybrand—bas provided a de-tailed rebuttal of the commission's findings.

Moreover, the commission's

rises and which claim that their productivity deals are self-

But the commission made it clear that it did not seek to act as a pay hoard to monitor wage deals that break the Government's pay guidelines. It said the rise in labour costs was only part of the reason for the dacision to block the company's proposed price increases.

News Analysis, Page 6 Editorial comment, Page 18

The main resson, according to the commission, was the company's inefficient management structure which, while ostensibly decentralised, still had too much beadquarters control. " conflicting between the centre and operating units, and makes it difficult to control costs."

Other cost increases criticised by the commission included the number of extra managers and technologists recruited by the company, a 10 per cent rise in staff in two years without any increase in work, and serious stock losses.

The commission estimated

repercussions on other com- BOC'a security measures, cost-panies which are seeking price ing over £1m a year, the coming over £1m a year, the com-mission believed more could be done to reduce stock losses. It pointed ont that the total losses through theft were equivalent to the extra revenue expected be earned by the proposed price rises.

> The commission, however, baa told BOC that, if it can abow "serious progress" in improving its efficiency and reducing costs, it may look favourably on annther price application hefore the 12-month freeze is up.

Claimed

BOC called the report "Incorrect, unjust, and unwise," and said it "reflects no credit on the Price Commission." Cooper and Lybrand's analysis of data, made available to the commission, showed that a price freeze will cut the company's profit-ability by £\$00,000 this year, the company said. It claimed thet most of the commission's recommendations were already in band before the commission started the investigation.

company was also critical of the commission's refusal to graot an interim price rise of 6 per cent under the now-defunct safeguard regulaclear statement that BOC's prothat the company was losing tions, because of a technicality.
ductivity deals in the last two
pay rounds—both of which
breached the Government's pay
lost gas amounted to nearly
limits—were false, could have

1 The commission estimated how-definite sateguard regular
that the company was losing tions, because of a technicality.
And BOC also made it clear
that restricting its profitability
breached the Government's pay
lost gas amounted to nearly
would force it to re-evaluate
limits—were false, could have

China offers direct talks on peace with Vietnam

BY OUR FOREIGN STAFF

yesterday proposed direct talks as soon as possible with Vietnam in an attempt to end their two-week border con-flict, said the New China News

The proposal, made in an official note delivered to the Vietnamese embassy in Peking, is the first open offer of peace made by either side during the

· China suggested that both governments appoint a vice-minister of foreign affairs as representatives to meet at a mutually agreed place.

China proposed the working out of any "constructive measures that ensure peace and tranquility along the horder between the two countries" and that they should then proceed to settle their territorial and boundary disputes.

Mr. Li Xiannian, the Chinese munist Party newspaper, that vice-premier, told journalists in the fighting between China and Peking that Chinese troops he withdrawn from would Vietnam once China had achieved its goal and on condition that Vietnam no longer resorted to armed provocations.

were a prior condition for the withdrawal of troops he said: "Not necessarily so."
In Moscow, Mr. Alexei Kosygin, the Soviet Premier, reiterated Russia's support for

Vietnam. He said that Vietnam would not he abandoned and denounced the Chinese attack "an act of interoational hrigandage." Mr. Kosygin's remerks, among

the toughest yet in the escalating Soviet war of words with the Chinese, follow an authoritative warning in Pravda, the Com-

Vietnam could spread. Fighting around Lang Xon,

the strategic north-east town that commands the approaches to Hanoi, continued to he fierce. Radio Hanoi said that China Asked whether negotiations bad lauoched large-scale attacks on a wide front north of the 3 per cent. reports indicated that the main Chinese troops in the area bad still not been thrown into the battle to control the ridges ahove Highway 1A thet leads to the capital.

The Vietnamese claimed that their forces had put 2,700 Chinese troops out of action and destroyed eight tanks. They said that China had suffered 27,000 casualties since the fighting began.

. Other developments, Page 3

Shares in EMI and Hoover fall

BY JOHN MOORE

British companies, EMI end December 31 was 19 per cent Hoover, dropped sharply yes-lower than in 1977. Taxable released their latest trading at £5.3m.
results. EMI's shares fell 15p. The gr to 118p following a warning of a possible dividend cut, while sbares in Hoover, which announced e reduced dividend fell 20p to 187p.

Hoover's final dividend was electronics alashed 31 per cent to 6.39p announced net amid warnings of further redundancies within the group. Overall the household appliance ing December 31, 1978. But Sir firm's total dividend for the John Read, chairman, cast a

Borrowing policies of UK

Politics Today: Carter

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does good things badly 19 British Airways to bny

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SHARE PRICES of two major financial year which ended on cloud over the final dividend. terday after the two groups profits were 57 per cent down The group has made 535

people redundant in the past few months in Wales, Scotland and its bead office, and said yesterday that more jobs could be axed. Entertainments, catering and

group announced improved pre-tax profits up from £19.3m to £20.1m for the six months end-

Continuing · losses in the group's medical electronics operations, makers of revolutionary body and brain scanners, mean "results for the year as a whole are unlikely to justify the maintenance of the final dividend at last year's levels" of 5.97p net, he says.

The group kept the interim dividend at 3.41p. Losses in the group's medical electronics operations rose from £3.5m to £9.4m, mainly because of increased competition.

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Oil price rise may cut EEC growth 1%

THE CONTINUED rise in world prices could cut real economic growth rate in Common Market countries by as much aa l per cent thia year and add up o £5bn to their halance of payments costs, Dr. Guido Brunner, EEC Commissioner for Energy, warned yesterday.

If the unilateral price increases announced recently hy Venezuela, Abu Dhabi, and Oatar were followed by other exporters, oil prices would rise by 22-25 per cent this year in-stead of the 10 per cent decided

Ayatollah Khomelni re-turned in triumph to the Moslem holy city of Qnm where he was arrested by the Shah's secret police 15 years ago. Page 3. Swiss probe Iranian funds and

airlines study fuel cost effects. Back Page. at last December's meeting of the Organisation of Petroleum Exporting Countries, he said.

Dr. Brunner's remarks were to coincide with this timed

International Energy Agency meeting and in anticipa-tion of the EEC Government leaders' European Council meeting in Paris on March 12 and 13. At the Paris meeting the oil supply situation is ex-pected to figure prominently It was essential for the EEC

to intensify its conservation efforts and its investment in alternative enargy sources, he said. He appealed to Mr. James Callaghan to over-rule the oppo-sition of Mr. Anthony Wedgwood Benn, the Energy Secre-tary, to a Commission proposal for demonstration projects in energy saving and research. Britain blocked the proposal

which would provide 150m Units of Account (about £100m) in EEC funding over four years, at last December's Energy Council. The UK insisted that other goverruments should agree first to another commission proposal for The present oil sbortage in quiet until the Budget on April The present oil shortage in-

pendence on energy imports to 50 per cent of total consumption by 1985. It had cut the depend-The EEC Commission's official forecast calls for a 3.5 per cent real growth rate for EEC economies this year, although Brussels officials now concede that a forecast of 4 per cent would bave been nearer the mark at the time the calculations were made. Dr. Brunner's warning of a 1 per cent cut would therefore imply a real growth rate of about

MLR cut to 13% may steady market

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE BANK of England cut the Minimum Lending Rate hy a point to 13 per ceot yesterday and made clear that it was seeking stability for the present after the hectic markets of the past few weeks.

The reduction in MIR comes three weeks after it was raised hy 1½ points to 14 per cent.

Mortgage rates will almost certainly be left unchanged by the council of the Building Societies' Association at its

maeting a week today. Apart from the fall in interest rates, the decision will also be affected by net inflows of affected by net inflows of hetween £200m to £250m in February, which are smaller than expected and compare with

£239m in January. The clearing banks were waiting last night for short-term interest rates to settle before reaching a down decision on rates. That might be today but is more likely

after the weekand. Last month the banks Increased their base lending rates by only a point to 13½ per cent but a cut of a point possible.

Prices of gilt-edged stock had

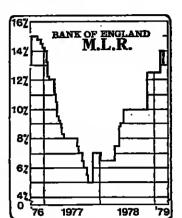
been falling even before the announcement of the change in MLR and earlier losses of a the past month) on the growth point were only extended to 1; of the money supply and the Closing losses were points. between and a point for medium and longer dated stock. Business was much quieter than earlier in the week and opinion was divided as to whether a further tap stock or stocks would be announced this afternoon, possibly with a medium date.

The question is finely balanced, since there is no immediate funding pressure and the decision may depend on the extent to which authorities helieve the market bas stabllised after a rise in prices of 91 per cent in three weeks. The authorities clearly hope

3. The Bank said: "It would be fulfil its aim of reducing its deconsistent with the policy of monetary restraint for a period of stability now to ensue." To underline that, the Bank lent to several discount houses at MLR for a week.

The Budget strategy was discussed yesterday by the Cabinet, continuing the more open practice started a couple of years ago by which Mr. Denis Healey, the Chancellor, presents his assessment of the propects and other Miniaters make suggestions about what should be

A significant recent change



has, however, occurred in investor confidence in domestic and external financial markets. the rise and fall of MLR, in that tha authorities have followed rather than led the market. Yeaterday's fall in MLR matched a similar decline in money market interest rates.

The main influences on the swift turnround in market opinion bave been moderation in inflationary expectations, the direct Impact of the much larger than expected sales of giltedged stock (nearly £2.5bn in strength of sterling.

The external confidence partly reflects an appreciation that, with growing North Sea oil output, UK is fairly well placed internationally wblie oil prices rise. It is also a response to domestic monetary restraint and high interest rates compared with other countries.

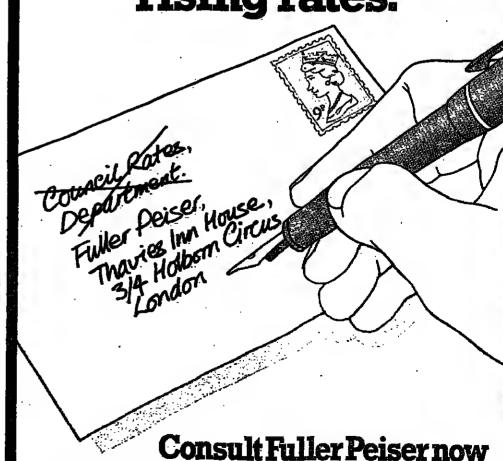
Short and long term terms rates in the UK bave been significantly higher than in other leading industrial countries. That has led to inflows that have supported the pound and the gilt-edged market. The luflows do not yet appear to have been on the scale of 1977, although an Indiofficial reserve figures for February this afterooon.

Lex Back Page Building societies lending Page 18 Interest rate policy attacked Page 5

£ in New York

Spot | \$2,0270-0880|\$2,0225-0235 1 month | 0.62-0.52 dis | 0.48-0.43 dis 3 months | 1.07-1.01 dis | 0.90-0.85 dis 12 months | 5.00-2.80 dis | 3,15-2.95 dis

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W. German court upholds worker-participation law

coalition Government and the trade union movement won a major political victory vester-day, when the Federal Constitutional court upheld the validity of the 1976 workers participation (Mithestimmung) the basic aocial consensus has

The Karlsrube Court, West Germany's highest, rejected on every course a challenge to the Act mounted by nine hig com-panies and 29 employers' asso-

They bad argued that the Act, hy giving employees' representatives numerical equality on company supervisory hoards. infringed the constitutional rights to private property, freedom of association and freedom to conduct business.

In s unanimous ruling, the court said one of these rights wes threatened. But it also said they might be damaged io the future if the Act were not applied in a spirit of constructive co-operation. Should this happen, and companies found themselves unable to function properly, the Mitbestimmung Act would reed to be amended. Herr Herhert Ehrenherg, the Minister of Labour and one of three Cablact ministers who court last November, said the IG-Metall, said they would conhave a very different meaning long legal tussle was now over. He appealed to employers and on supervisory boards. As the

BY ROGER BOYES IN BONN

unions who accused him of piey-

ing down the effects of new

technology on unemployment.

The conflict of views graphicelly

illustrates the concern felt by

German unions about joh security in the fece of labour-

Herr Hauff, speaking et a con-

ference here on electronic tech-nology, called for an "open dialogue" between the Govern-

ment, employers and nnions to

saving lechnological chenge.

The Bonn Government will now hope for improvement in the industrial relations climate emed seriously weakened. While this situation bas had many causes, the mainstream of the trade union movement. grouped under the DGB umbrella organisation (equiva-lent to the British TUC) has used the employers' Mitbestimmung lawsuil as a pretext to boycott the concerted ection conferences. These were the periodic gatherings of employers' and union leaders under government chairmanship that set out

areas of fundamental agreement on prices. wages and other shortto-medium term economic policy. It is not yet clear wbether the unions will return to the concerted action forum as such. But Herr Heinz-Oskar Vetter, the DGB Chairman, said the constitutional court ruling offered a new chance to both sides, he edded that it was neither a

victory nor a defeat. Eugen Loderer, head of the ment states, worker participe defended the Act hefore the steel and engineering union unions alike to devote their constitutional court ruling dominated tenergies nace again to the major emphasised, the 1976 act's or hostility.

than it destroyed, he insisted.

Delegates at the conference,

sponsored by the West German

postal workers' union, were not convinced, however. Not only

would electroulc devices in the

Post Office reduce the volume of

mail (and thus the number of postal workers needed for sort-

ing and delivery), they said, but

would damage other sectors of

Herr Helnz Esders, deputy

sation which brought with it the

nossibility of massive protest

could limit the Government's

worsened economic prospects.

1978, also had its limits.

In the long term the Govern-

He dismissed calls for the

The Minister stressed, though, that despite the critical attitude

THE WEST German Social problems welghing on industrial numerical equality did not Democratic-Free Democratic relations, notably the safeguard- amount to parity because of the second, tie-breaking vote given to the chairman. Since he was invariably drawn from the shareholdars' side, the court noted, the ultimate control of shareholders over their com-pany was unaffected by the new make-up of supervisory boards

under the act.

Herr Otto Esser, President of the BDA (the organisation grouping West German employers' federations) expressed lisappointment that the court's decision "does not relieve us of a large number of worries. But he said employers would respect it, and would expect equal respect on the part of trade unions and employees' representatives on supervisory boards for the court's reaffirmation of the right of manage-

ments to manage.

While the constitutional court judgment clears away doubts about the Act's legal standing, it also seems to be meant as 2 reminder to employers, unions and Government alike that they, and not the judiciary, hold responsibility for how the Act is edded thet it was neither a applied in practice. "If willing-victory nor a defeat." applied in practice. "If willing-ness exists on both sides for Both Herr Vetter and Herr loyal co-operation," the judgtion under the 1976 Act would within a company was dominated by mutual suspicion

Unions see technology threat HERR VOLKER HAUFF, the tion of micro-processors and would endanger office, sec-West German Minister for other electronic devices into in-Research and Technology, came dustry would create more jobs and generally aggravate stready

> Herr Hauff, however, was adamant that tha West German Post Office ahould be in the vanguard of change, using its profits to apdate the country's communication systems. The Post Office is one of the few in the world to make a befty profit in 1977; it turned over DM 31:8bn (£8,59bn) and reported a profit of DM 1.98bn (£535m). most of which was earned by

the telephone and telecommuni-

serious unemployment in West

between them. The introduc- union, said a reduction of mail cations sector. 'Drastic steps needed' to

cause of the sharp rise in public spending in recent years—the trend bad already begun before gas sales started-but it partly disguised the cost of the im-provement in social conditions. The Minister stresses Official forecasts are for a balance of payments deficit of of the unions to Blueprint 81 Fl 3.5bn in 1978, despite the they were, in general, clearly direct contribution of FI 14hn eware of the reality of the

sery steps now we will reach ment borrowing requirement the state where developments must not exceed 45 per cent can no longer be controlled ond of national income, though the

Swiss expect

official Commiss Economic Studies.

Higher net income is expected from invisibles, with a larger tourism surplus and much higher capital earnings, so long The Commission reports that the 1978 surplus on current eccount will reach a record of "a good SwFr9bn (£2.67bn)." This compares with SwFr 8.3bn in 1977 and a previous peak of

gross domestic product, esti-mated at 0.8 per cent in real terms last year, is expected to decline further to a rate of

Outlook bleak for European

chemicals By Sue Cameron, Chemicals Correspondent

GRIM fntnre for Western petrochemical producers — particularly those operating in Europe—is forecast in a report published yesterday by the Organisation of Eco-Go-operation and

Development.*
The report, based on a study carried out hy members of the OECD industry committee. warns that Western petrochemical groups will not find it easy to finance the building of vital new plants between 1930 to 1985.

period if the chemical industry in the OECD is to meet forecast demand for 1990 and

The under-utilisation of production capacities, which wili probably be a feature of the period to the beginning of the 1980s, will mean increased competition and low cash finws caused by depressed prices, higher costs and consequently narrower profit margins, "the report says.
It is to be feared that it will be difficult to offset this

erosion of companies' gross margins for self-financing hy by turning to external pro-viders of private capital in a situation in which the petrochemical industry will appear much less attractive to investors than in the past.

Beyond 1985, if demand prospects do not begin to pick up in the meantime, the problem is likely to become worse hecause the industry will find it must begin to plan the replacement of existing plant. It is estimated that it will not be possible to finance more than about 33 per cent of such replacement nut of deprecia-

tion reserves." The report says that chemical imports to OECD countries are likely to increase during the next few years, while opportunities for increasing exports will probably decline. It predicts that Europe will particularly hard hit by chemical imports from countries that have only just started producing petro-chemicals.

Competition from the new producing areas will probably result in pressure of imports, concentrated more on Europe. concentrated more on Europe, from the Comecon countries and—perhaps, more strongly—from the Middle East.

There is also likely to be a reduction in export growth possibilities, in particular for exports from the U.S. to Latin America.

production in areas like the Middle East has been slower during the past few years than was expected. A number of projects have been postponed or cancelled and the full impact of competition from the developing countries is not expected to be felt before The Petrochemical Industry:

Trends in production and investment to 1985; OECD;

ITALY'S LOCKHEED TRIAL ENDS WITH LANDMARK VERDICT

Former Defence Minister jailed

SIG. MARIO TANASSI, the former Italian Defence Minister. was vesterday convicted of corruption and sent to prison for two years end four months for his part in the Italian end of the Lockheed payments scandal. The Constitutional court acquitted Sig. Luigi Gui, another former Defence Minister, but

handed down sentences of over two years for corruption against the hrothers Sig Antonio and Ovidio Lefebvre. Lockheed's legal representatives in Italy, as well as Sig Camilla Crocieni, former head of Finmeccanica. the state engineering group who fled Italy in 1976. The history making judgment

by the country's highest legal But it says that new plants will euthority brings to an end an have to be built during this affair which becan three years. affair which began three years ago with detailed allegations from the U.S. over improper payments by Lockheed totalling \$1.6m to secure the purchase by the Italian air force of 14 C-130 Hercules military transport planes in 1970.

Two other defendants, Sig Duilio Fanali, a former air force Chief of Staff, and Sig Bruno Palmiotti, the private secretary of Sig Tenassi, were also given jail sentences. But since these were less than two years, they will be suspended for five years.

In addition to his prison term, Sig. Tanassi, once leader national courts.



Sig. Mario Tanassi (right) jailed for two years and four months, and Sig. Diulio Fanali, given a suspended sentence.

of the small Social Democrat Party, was stripped of office as deputy, and barred from public posts for nearly three years. The six convicted men were ordered to pay costs of the case, estimated at L1.5bn (£850,000) and fined a total of L1.8m (£1,100).

Before being escorted from his home to prison by police, he bitterly attacked the verdiet. "It wasn't a political trial, but an outright political crime." Sig. Tanassi declared. Sig. Fanali for his part said he would carry the case, for which no eppeal is possible in Italy, before inter-

Although the jail sentences meted out egainst the accused total under 11 years compared with the 58 years sought by the public prosecutor, in many ways the outcome of the trial is a landmark for Italy and its judicial system.

Some aspects of the scandal remain obscure-most notably the identity of the mysterious individual referred to in tha Lockheed documents as "Antelope cobhier," widely alieged to heva been the code name uf a former Italian Prime Minister. However for the first time since the last war a former end sent to prison. A major scandal has for once been seen through to the bitter end, to some extent dispelling the view that in Italy one law operates for the strong and another for aide

The Lockheed affair, more over, played a large part in the unprecedented early resignation last June of Italian President Sig. Giovanni Leone, who was demonstrated in have had close links with the Lefebure brothers.

The trial itself was statistic ally remarkable. During its 28. se witnesses were heard by the court's 29 judges.

Meanwhile the Community have requested e top level marking with the Christian Denne. crats, scheduled for late list-night, in a final effect to break the deadlock between the two the deadlock persons a new main parties and allow a new

Sig. Ugn La Malfa, the Prima Minister designate, will hold final talks with party leaders today before reporting back to Sig. Sandro Pertini, the Italian President. Should he fail to rebuild an administration, as is generally expected, the country is likely to face early general elections this spring.

Investment

law delayed

AUTHORISATION

private investment companies

in Portugal, planned for February, has been deferred for several weeks according to

The background to the delay

appears to be the Government's

involvement in seeing both its budget proposal and short-term

economic plen safely through

Parliament in the face of appo-

Although the investment law

in its original form could have

The most important concera-

a new provision for generous

tax inceptives for investment

Finance Ministry officials.

by Lisbon

French standard of living rises

BY TERRY DODSWORTH IN PARIS

THE AVERAGE French worker figures are not available. saw his standard of living. The statistics cover a period workers would be considered improve last year. He worked dominated by the so-called to be partially unemployed. The fewer bours and increased his Barre plan, named after Prime figures indicate that by last spending power by about two

These are the mein points to emerge from the latest report on French salaries published by INSEE, the national stetistical office. The figures show that In the 12 months to October, earnings of weekly-paid workers in private industry went up by 11.1 per cent and in the pubbe sector hy 11.2 per cent.

By comparison, price increases in the same period amounted to 9.3 per cent. INSEE comments 1977. that a similar pattern seems to be true among white-collar continuing to grow closer to 40 management pledge to postpone workers, although comparable hours, the level laid down in a planned redundancies.

domineted hy government concern to control the rate of from increase in the interests of year. damping down inflation.

achieved, with pey increases conforming more or Jess to the The French Iclavision strike, policies laid down by the gov-

Barre plan, named after Prime figures Indicate that by last Minister, Raymond Barre in October, the number of bluewhich incomes policy has been collar workers on a 40-hour week had risen 10 43.6 per cent from 37.2 per cent the previous At the same time, only 2.6 per

1936 law as a base below which

INSEE say that in Isrge part cent of the work-force was enthese objectives have been ployed for more than 40 hours

which has gone on for three ernment in November 1977, As weeks and emasculated the sera result, the 1978 rises were in vice while giving a big boost to line with the levels achieved in cinema audiences, is virtually over: Most services will be The average working week is resuming today following a

been authorised by the Govern-ment by decree, the latest draft being considered by Sr. Jacinto Nunes, Finance Minister, contains a number of important amendments that Parliament

Chirac demands debate on jobs

BY ROBERT MAUTHNER IN PARIS

majority of the members of the National Assembly and a special decree by the President of the republic. The last time such a demsnd was made by a majority of deputies was 1960, when it was vetoed by President de

companies - a controversial poiot given the storm over the Government's proposed tax increase. ment to dehate unemployment.

M. Chirac's proposal has

The recall of parliament for 246 signatures if, as seems as it now stands is believed to 246 signatures and Combe far less restrictive than that an extraordinary session is an likely, the Socialists and Combe far less restrictive than that of onusual procedure in France.

munists support M. Chirac's proposed by the Bank of It requires the signatures of a proposal. Unlike his predeces. Portugal last May, and its sor, Presideot Giscard is not eventual authorisation would be expected to block the move.

needs to approve.

a far more significant development than was at first thought. In particular, the law would lay firm ground for the eventual return of private banks to Portugal. They have been barred from operating here since the 1974 revolution. The Finance Ministry is con-

sidering a number of applications from business and banking groups interested in establish-ing themselves in Portugal under the new law. These includa an investment consul-tancy firm set up last year by Sr. Jose Manuel de Mello, a Portuguese industrialist, Morgan Guaranty and Deutsche

Other applications have coma from members of the Espirito Santo family, one of the richest in Portugal under the former regime.

Further applications have come in recent weeks from a team of industrialists based in the north of Portugal who beve heen grouped together by Sr. Artur Santoa Martins, the former Vice-Governor of the Bank of Portugal, and from Sr. Fernando Barata, one of Portugal's most successful hotel and restaurant owners.

Sr. Barata told the Financial Times earlier this week that be planned to act up a special credit institution to promote investment in tourism, a project for which he had "substantial financial backing from Persian sources." The Iranian money is believed to have been deposited in London just before the fall of the Shah.

hungry Zairian population. The Balgian news agency said yesterday that the paratroops had been distributing food and preventing pillaging.

The dally newspeper. Het Volk published a letter from a girl stydent extension.

girl student at Kinshasa University which sald four students had been injured when Zalrlan soldiers fired on them during a protest march against leck of food last month AP-DJ

offset Dutch gas decline BY CHARLES BATCHELOR IN AMSTERDAM

iron out the main differences chairman of the postal workers'

THE DECLINE in Dutch redirect our economy. It will be exports of natural gas will done for fis."
increase Holland's balance of The Government's modest
payments deficit by Fl 15-20bn and justified" plan to make (£3.75.£5hn) by the late 1980s small spending cuts spread over

unless drastic measures are a number of years, had been taken, Mr. Frans Andriessen, labelled as blackmailing the the Finance Minister, said unions and swindling the yesterday in a strongly worded weakest members of society, be defence of the Government's eaid. Objection to individual plans to slow the growth of parts of the plan had been laid public spending, out in great detail while the public spending, Holland's sizeable income overall intentions had been compietely neglected. He warned that greater polari-

from gas sales to the payments

The Government's "blueprint Government to increase its 81" policy, which aims to cut horrowing on the capital the growth in public spending markets. The limits had almost by Fl 10bn to Fl 40bn over the heen reached on the public next three years, is the mini market, he said, while the mum necessary to restore health private market, where Govern-to the economy, be said in an ment borrowing doubled within address to the Economics Faculty two years to almost FI 3hn in of Rotterdam University. "If we do not take the neces-

foreigners lose faith in the 6 per cent figure forecast for soundness of the Dutch 1979 was eccepteble whila economy," he said. "Then we economic goals were being rewill no longer be in a position to

large surplus again in 1979 By. John Wicks in Zurich

The growth of Switzerland's

For gross national product, the growth rate is expected to fall from 1.2 per cent to 0.7 per cent in 1979. Also, in price-adjusted tarms, exports of goods are likely to rise by 3

current account surplus in 1979. according to a forecast by the

Exports and imports are expected to grow in real terms. though at a slower rate than in 1978. No major changes are anticipated in foreign trade price levels. As a result, there sbould again be a small trade balance deficit.

as exchange rates are stable. SwFr 8.42bn in the preceding

about 0.6 per cent.

per cent and mports by 4 per cent, the Commission says.

THE SWISS balance of pay-

M JACQUES CHIRAC, the bowever, that the Ganillists nation's Institutions.

reduction in export growth goallist leader, who sharply would not go so far as to join attacked the Government's the left-wiog parties in voting exports from the U.S. to Latin Amarica.

But the report adds that the development of petrochemical ment to dehate unemployment.

caused a political furore because It was made in a letter addressed to the leader of all parties, including the opposition Socialists and Communists, who bave already suggested a special session of the National Assembly.

Both M. Chirac, in his inter-

view, and the leader of the Gaulle on the ground that it Gaullist parliamentary group, would interfere with "the M. Claude Labbé, have stressed, regular functioning" of the

Though the UDF party, which supports President Giscard d'Estaing, opposes the holding Gaullists should have no diffi-

The Ghirac proposal is seen as another stage in hisa nti-Giscard campaign, which has been gathering force as cantonal elections, due later this month, and the European elec-

High turn-out urged as Spain goes to polls

licted an indecisive outcome.

months, Spaniards yesterday large turn-out to reduce the pre-went to the polls to elect a new viously high predictions of Early indications were that the Parliament. Commentators pre-absenteeism. The abstention rate in the

poll would be high.

FOR THE second time in 20 bave stressed the need for a coalition could prompt some to per cent of the vote has been The voting system is based on to Ministry of Interior officials.

Neither of the two main June, 1977, poll, Spain's first that of De Hondt. This means
parties, the ruling Union de democratic election since the that candidates are elected centro Democratico (UCD) of death of Franco, was 21.6 per according to the proportion of outgoing Prime Minister Adolfo cent. This time, early opinion the total vote their parties. A further 1.382 are Suarez, and the Socialist Party polls showed an abstention rate obtain in each of the 50 standing for 208 seats in the Convaler ware accorded to Party of Sciele. of around 30 per cent.

Party officials said that generally good weather throughout the country yesterday could increase that turn-ont—a factor

around 30 per cent.

Party officials said that generally good weather throughout the country yesterday could increase the turn-ont—a factor and deny electoral victory to a great which may have the most of the country which may have the most of the country to a great which may have the most of the country to a great which may have the most of the country turn are the country to a country to a country turn are the country to a country turn are the country to a country turn are the country tu (PSOE), headed by \$r. Felipe of around 30 per cent.

Gonzalez, were expected to Party officials said that chieve an absolute najority.

The low key campaign closed out the country yesterday could on Tuesday night and the increase tba turn-ont—a factor country's 26.8m voters were expected to favour UCD. They given a day of "reflection" on Wednesday. In the final days of the campaign, party leaders that prospect of a UCD-PSOE of the campaign, party leaders to favour a party with a strong rural base a party with a strong rural base several which were previously which can pick up seats on the countryside, and deny electoral victory to a party which may have the most seats.

The complex arithmetic of the campaign, party leaders tha prospect of a UCD-PSOE this system means the until 30 the several which were previously which can pick up seats on the countryside, and deny electoral victory to a party which may have the most votes hut not the most seats.

The complex arithmetic of this tends to favour several which were previously which can pick up seats on the countryside, and deny electoral victory to a party which may have the most votes hut not the most seats.

The complex arithmetic of the campaign, party leaders that the possibility of the campaign, party leaders that the possibility of the campaign provinces. This tends to favour several which were previously which can pick up seats on the countryside, and deny electoral victory to a party which may have the most votes hut not the most seats.

The complex arithmetic of the country workers Party plus two Basque parties that the country workers Party plus two Basque parties that the country with a strong rural base aparty with a strong rural base aparty with a strong rural base and party with a strong rural base aparty with a strong rural base aparty with a strong rural base.

Extremists threaten to step into Belgium's political vacuum IT IS oow almost three months supposed to decide certain having brought the Dutch recent weeks and the danger since the Belgien general cultural questions in its region. language parties into the agree—that some violent episade could election—and still there is no The present crisis has its ment on devolution be saw the force that more moderate franco-

election—and still there is no The present crisis has its ment on devolution be saw the prospect of a new government. origins in linguistic conflict chance to steal their clothes and In fact, it is 140 days since the which has split every Belgian Social Christion Prime Minister Mr. Leo Tindemans resigned Walloon wings. The relatively bringing down his conservative well - established Tindemans socialist coalition and a care- coalition government formed in prepare the general election end keep the machinery of governmeot ticking over until a successor could be found.

As successive attempts fail to solve the crisis the fear is more and more that extremists belonging to one of the two hitterly opposed language groups which make up Belgium -French-speaking Walloons or Flemings speaking a dialect of Dutch—will try to solve the deadlock in the streets.

deadlock in the streets.

Already there have been rumours that Walloon extremists might try to force the country's conomically struggling. French's speaking into secession by trated wheo the coalition fell gained little acceptance from commented one senior figure in trying to push through a unilateral daclaration of iodependence through the francophooe cultural council—

ao elected body which is sumost entirely surrounded by Flemish territories in the streets.

Surrounded by Flemish territories compromise. The impetus for breaking-up to make are much more the understance from the important social Christian movement the important Social Christian movement of the important Social Christian movement the important being since of the important social christian movement the important being since of the important social christian movement the important being since of the important social christian movement they the important being since of the important social christian movement they the important being since of the important social christian movement they the important being since of the important social christian movement they the important being since of the important social christian movement they the important social christian movement they the important social christian incomplete the country is no different. In private, the ndiese that to make are much more the important from the important social support has control. The initiative, was M. Walloon the important social christian movement they the important social christian movement they the important social christian incomplete the country is no different. In private, the ndiese that to make are much more disquicting. The fear is the unitarity of the political same no force data and the support has country. The initiative, was M. Walloon the important social christian in the social christian in the second the support has country in the second to make are much more the important support has country in the political same and force the country in the important supp

bitter linguistic issue. In par-ticular it was hoped to solve the problem of defining the status of the capital city of Brussels, which is largely French speak-ing but which is almost entirely

coalition government formed in 1976 managed to get broad agreement on a scheme of devolution—known as the Egmont Pact—which would have turned Belgium at least partly into a federal state.

It was hoped that this would lay the hasis for a new era in Belgian politics by diffusing the bitter linguistic issue. In an

increase the aupport in Flanders of his own Social Christian party by denouncing the agreement be bimself bed belped to design.

Wallooos find it hard to accept a halanced and healthy parties and balance consarvative the reality that the formerly democracy. The impasse that and Socialist interests uoderprivilaged Flemish are has existed since mid-October, now hankers to Belglum and are they say, when Flemish Social both the more numerous and Christian M. Leo Tindemans inside the Flemish conomically prosperous group resigned the Premierably in a Social Christians, Belgium's resigned the Premierably in a social Christians, Belgium's converted the country. in the country. The somewhat row over the plans to settle the incoherent thought babind language war by introducing a secession seems to be that the ensuing chaos would shock tha

present political crisis in Belgium is the 34th in 40 years,

this volatility is the most worrying elemant. In public,

rough equivalent to Christian

هكرامن الأحمل

Since the mid-December of the language divida is heing lame duck affair consisting of general election following M. concentrated on the fact that M. Tindemans' outgoing Cabinet the "same faces" are tackling —is reaching the end of its government. The Flemish proachable, has clearly run out Socialist M. Willy Glass of ideas. There is now a groundwas appointed "informateur" swell of opinion that the vicious Wallonia is getting close to worrying elemant. In public, (or negotiator) by King the politics of despair. Like a Belgian politicians and Beudouin, but could come up faded aristocrat who is resent-observers stress that the with no preliminary formula for ful that his former servant country's notorious political a new coalition that must bring should have turned out a tycoon, bickering is the safety valve of togethar Flemish and Walloon (or negotiator) by King circle should be broken by the Beudouin, but could come up appointment of either a "grand with no preliminary formula for old man" of Belgian politics,

> elevated to (prospective P.M.). ba failed, the back device unusual appointing two "co-mediateurs" appointing two "co-mediateurs" (joint mediators). One of them But the options now are few. If was M. Claes, the other a Walloon Social Christian M. Ferdinand Nothomb. Both threw their hands in despair means. To make matters worse, the interim government that

Democrats elsewhere. He was

such a government is Balgium's Viscount Etienne Davignon, currently the EEC Industry Commissioner, although he himself has indicated that if nominated he would not run.

Belgian observes tend to agree on at least one thing: intervention in the shape of a "technocratic" administration ls so alien as to be unthinkable. Press criticism on hoth sides Vanden Boeynants heads-a sion.

phone groupings towards have been three futile attempts this crisis as they did other militancy.

Despite the fact that the present political crisis in government. The Flemish Belgium is the 34th in 40 years. Socialist M Willy Class of ideas These are tackling the end of its useful life. The country's 12-week old Assembly and Senate do not meet, budgetary dacisions that are urgently possed. do not meet, budgetary daci-sions that are urgently needed cannot be taken and the central administrative machinery grinding to a halt. The underlying question is

a new coalition that must bring such as septuagenarian extogethar Flemish and Walloon Premier M. Gaston Eyskens, or parties and balance consarvative and Socialist interests.

He was followed by M. ped up as potential leader of Wilfried Martens who rivels M. how serious does a Belgian Lord Palmarston was negotiator of the man made state. Then, as now, it was an explosive cultural mixture, and beneath ita outwardly stolid and bourgeols exterior Belgium ita outwardly boils up to periodic eruotions. In 1950 King Leopold III abdicated amidst uely violence and in the early 1960s widespread rioting and social discord again threstened the country.

Belgians like to see their maverick political system as one that provides vital flexibility. ingly at the beginning of this the interim government that wondering if it is one wbich week.

former Prime Minister M. Paul guarantees an ultimate explo-This week they are once again

Rescue plan for Zaire whites

BRUSSELS - Belgian paratroops sent to Zaire on a treining mission are preparing a rescue plan for Europeans threatened by the increasingly

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Should he

Government is

China launches attack on a wide front, Hanoi claims

to prison And las for once been in the otter to RADIO HANOI yesterday ent dispelling to RADIO HANOI had launched taly one law m. lamed China; had launched trong and another ropt north of Lang Xon, the provincial capital commanding yed a large Part in ented early resign the most direct invasion route—... highway 1A, 85 miles north-east of the capital, Hanoi.

ated to have had a Vietnam said that in heavy fighting on Tuesday and Wedthe Lefebre box nesday its forces had put out of action 2,700 Chinese troops and ial itself was star destroyed eight tanks. Attnough arkable. During a observers are sceptical of the spread over the casualty figures, the reports are casualty figures, the battle spread over 19 the casualty figures, the report that itsess were heard thought to pinpoint the battle scenes on the strategic route hile the Commun IA, a parallel road eight miles to the north-west (1B), and route 103 leading directly to Lang Xon.

the Christian i heduled for lake a final effort to Earlier intelligence reports inllock be ween the dicated that major concentraions of Chinese infantry had not yet been thrown into battle. But fierce fighting along the ridgelines above route 1A to go La Malia, the knock out vietnamese designate and artillery positions have been raging for some days, posphly to prepare for a Chinese nfantry advance up the road.

Meanwhile, the Vietnamesepacked Government in Phnom to face early supplying Khmer Rouge insur-denied that his government was this spring. zents in Cambodia.

Observers here view this as an ndirect blast from Hanol ques-

AUTHORISATer heavy cruiser, have now The Soul

class, and the Sverdiov class

econnaissance, aircraft; while

noving westwards through the

I sugaru strait which separates

lokkaido. The Defence Agency.

investment can tailed past Japan into the East

rings: O.D. China Sea since the start of y, has been less China's invasion of Vietnam.

Weeks account Two of the destroyers, one Ministry where Krivak class and one Kashin

to be the Government ruiser were all sighted by

proposal ... ser basing through the Isu-shima

v delaye USSR moves destroyers

my Sums in Lists. TVE SOVIET naval ships, ships are now cruising off

e plus sure traits hetween Japan and doubt whether the Soviet navailent in the fact of Korea between February 21 and presence in the Far East is strong enough to be able to

The third destroyer, of the exercise any significant riginal Kotlin class, and a submarine influence in the outcome of the thorn the cuttome of the continuence in the outcome of the chornest refuelling vesser were seen fighting in Vietnam: Lack of air

fapan's main island of Honshu area and might mean that Soviet

rom the northern island of naval presence was not even a

selleves that several of the Tokyo Stock Exchange, Page 24

Lisbon into East China Sea



in the current Sino-Vietnamese conflict in the region.

The Cambodian statement re-

layed over Radio Hanoi yesterday said: "Despite Thailand's formal denial, this much is clear: the Chinese reactionaries and their henchmen are using Thailand in activities against the People's Republic of Kam-General Kriangsak Chomanan.

involved in resupplying the Khmer Ronge in nelghbouring Cambodia. He played down the ioning Thailand's neutrality charge, saying Thailand would

The Soviet Union bas also

naissance aircraft from hases in

Siberia to the Indochina region

on two occasions since the start

of the war. The aircraft are of a

type which can fly from Siberia

to Vietnam and back on a single

Defence experts in Tokyo

mission without refuelling.

strong enough to be able

cover would seriously handicap

Soviet naval operations in the

match for that of China

first have to see if the Cambodian authorities were serious in

their accusation. Although most diplomats agree that the Thais are not co-operating with China in any major re-supply effort to move heavy artillery, trucks or armoured vehicles into Camhodia, local private transactions trading medicines, food, small arms and ammunition to the Khmer Rouge bave sprung up the length of the border.

The Khmer Rouge have built rough road running parallel the Thai horder which observers suspect is used to move supplies by truck.

These activities may not affect the military balance in Cam-hodia, but these supplies take the pressure off the Thai horder y re-equipping the Khmer Rouge to return to engage the Vietnamese deeper inside the

China's invasion has yet to ivert any of the 20 Vietnamese divisions occupying Cambodia. (Diplomats bere deny Press reports that 30,000 Vietnamese troops bave been withdrawn from Cambodia.)

Nonetheless, the fighting on letnam's northern border is thought to bave distracted attention from Hanoi's forward positions in western Cambodia, tak-ing pressure off the tenacious Khmer Rouge insurgency.

Exploration deal in Gulf of Thailand

THAILAND and Malaysia have agreed to cooperate in the exploration and exploitation of a disputed seabed area in the Gulf of Thailand. The accord was reached at a meeting in Chiang Mai, Thailand, this week between General Kriangsak Chamanan, the Thal Prime Minister, and Datuk Husseln Onn, his Malaysian counterpart.

The agreed area covers 2.058 sq. km but the precise locations have not been spelled out. For several years Malaysia has claimed part of an area in which Thailand granted an exploration concession to Triton Oil, The company has not drilled there since 1975 as the most promising part of the concession was subject to the Malaysian claim.

part of the structure in which Esso has found gas on the Malaysian side of the ilne. Although the successful Esso well is not within the area claimed by Thailand, if the find in that location proves commercial, it may be included in the

An end to the dispute will not only make possible the proper exploration of a promising area, but could open the way for the sale of gas from the Malaysian area to Thailand.

Thailand is to build a pipeline to serve deposits found by Union Oil and Texas Pacific slightly north of the disputed area. The Esso find to the south is too far away from a potential market in Malaysia to he developed at present and extension of the Thai pipeline would enable the Esso gas to be sold in Bangkok.

It is not clear what revenuesharing arrangements will be made between the two countries, but the existing agreements with Triton and Easo are unlikely to he seriously affected.

Apart from the two commer-cial gas finds in the Tbai areas of the Gulf of Thailand, cil and gas have been found further south off the coast of Trenggan

Amin: a hard man to come to grips with

SUPPORTERS AND enemies of President Idi Amin of Uganda seem to agree on at least one thing-that he is a dangerous man and should not be underestimated. Although the present shadow war with Tanzania is probably the most serious threat yet to his eight year old regime, those who know him well are reluctant to write him off too quickly.

"Part of the problem is that the West sees him more a comic than a murderer." said one Ugandan exile. He added that it was just what Amin wanted. Amin's ability to juggle with the predictable had proved one of his principal assets in maintaining power despite at least 13 reported attempts on his life. a crippled economy, a chaotic army, a decimated police force the opprobrium of the world.

But the Tanzanian invasion is only part of the crisis facing Amin. The invasion has done much to encourage internal dissent as was shown in the bomh attack on the industrial area of Kampala claimed by the Save Uganda Movement (SUM). Added to that, the economy is in ruins hecause of years of neglect and the fall in the price of coffee which is Uganda's principal export.

Faced with acute halance of payments problems. Amin has een anxious to keep exports of coffee up. Last July some of the 1.5m bags of coffee piling up in Uganda had to he sirlifted to Djibouti. It is thought that coffee production has dropped considerably from the 1976-77 figure of 156,000 tonnes while the same applies for the other main agricultural products cotton, tea, tobacco and sugar. The situation has been made much worse for the Government by the enormous amount of smuggling which goes on across

Nonetheless, Amin has other factors in his favour. Years of brutal repression are said to have left the population cowed and there are no reports of widespread popular uprising against Amin. What opposition exists tends to he split along tribal lines with old scores to settle, some of them dating from the rule of Milton Ohote whom Amin overthrew in 1972. Finpower interest in ousting Amin hecause other theatres of war are stealing the limelight.

Interpretation of events in Ugaoda are hampered by the barrage of mis-information coming out of Kampala and the very little information of any kind coming from Dar-es-Salaam, But despite the fog which surrounds events in the country, analysts helieve that the situation is finely halanced and could tip quickly in either direction-

On the battle front all that is clear is that a force of Tan-zanians, belped by Ugandan exiles, has replied in kind to the Ugandan incursion into Ten-zanla which began four months ago. The scale of the fighting is unclear and there are strong doubts cast over Radio Kampala claims that Tanzanians took the towns of Masaka and Mbarara and even stronger dcuhts about Uganda's claim to have recaptured Masaka.

The capital, Kampala, is re-ported quiet even though it is only 80 miles from Masaka. The fact that none of the country's white community of 3,000 have made any attempt to leave is also an indication that most of the fighting is being invented by Uganda in order to make Tanzanla's incursion look bigger than it is.

On a regional level, such claims look extremely embarrassing for President Julius Nyerere of Tanzania. Nyerere claims that he is not trying to topple Amin, simply to teach him a lesson for his Tanzanian incursion. There is little doubt that Nyerere would like to see Amin go because he feels, as one of Africa's elder statesmen. that Amin's hutchery and comedy bave brought Africa into disrepute.

On the other hand, Nyerere is in no position to wage a long war on territory more than 1,000 miles from Dar-es-Salaam while his country is facing an economic crisis of its own. If Tanzania with its sorely stretched lines of communication looks in any danger of losing the fight to Amin it is though likely it would pull out fast rather than lose face.



Khomeini returns to his holy city

هكذامن الأحمل

BY ANDREW WHITLEY IN TEHRAN

AYATOLLAH KHOMEINL re-theless, voting would be free, turned to Qom, the boly city even for the return of the Shah. south of Tehran, where be began his crusade against the Shab more than 15 years ago. . He says he will continue to border by armed guerrillas last direct Iran's Islamic revolution weekend and the subsequent from Qom, but the shift of loca- freeing of the 20 U.S. staff by tion marks the end of the first

period of transition from the monarchy and the heginning of efforts by Dr. Mehdi Bazargan, the Prime Minister, to establish his own authority. After nearly three weeks confusion and uncertainty, Iran's

future direction has been clazified suddenly in the past 24 hours. The planned referendum to formalise the setting up of an Islamic republic is to be held on March 30 and Ayatollah Khomeini told his followers in yesterday that everyone who helieved in Islam should vote in favour.

Shortly after receiving a triumphant welcome from a crowd of about im in the city of 444 mosques, the Ayatollah said democracy was a Western term "which we reject." Never-

In Tehran, a report of the station at Kabkan on the Soviet the Iranian air force, gave added force to the Prime Minister'a complaints on radio and television that his authority was heing undermined. Dr. Bazargan repeated a threat to resign

He faces two serious, interlocking problems: lack of authority because of the way guerrillas are taking independent action and retention of power by the shadowy Khomeini committees."

vesterday.

Contrary to earlier expectations that nightly exchanges of fire in the capital and elsewhere would die down as time went by. clashes have built up in intensity and scale, over the past week. plausible explanation has heen forthcoming.
With Khomelni's departure to

Qom, to settle down to theo- been stung in particular by the

logical affairs and a backseat mounting campaigns role in politics, the power of the General Mobammad Vali Qarani, committees is expected to decline. As his stand-in in Tebran, the religious leader bas appointed Ayatollah Telagani, a Subordinates have begun atrikes man respected by left-wingers against hoth men. and westernised Iranians, as well as by the orthodox Moslem faithful

Despite several strong denunciations by Tehran of Kangaroo justice" in the provinces, reports are still reaching bere of summary trials and executions of those charged with having committed offences under the Shah's regime. In Ahadan, on the Gulf coast, two men were executed publicly early yesterday. Another man died after a brief trial in Qazvin, west of Tehran.

The ferocity of Dr. Bazargan's attacks on those undermining his authority has taken Iranians by surprise, more especially because of his criticism of those around the Ayatollah. The Prime Minister appears to have

his armed forces chief of staff. head of radio and television.

Western diplomats said yesterday that Dr. Bazargan's fireside chat approach in his hroadcast appeared to have gone down well with Iranians. He complained of what amounted to a parallel government. "They arrest people, they issue orders, they oppose us, they are against our appointments. If this goes on, we shall have no alternative but to resign," he said.

Dr. Bazargan's moderate, flexible approach to Iran's future course has the powerful backing of three of the country's most senior religious leaders in Qom, beaded by Ayatollah Sharoiat-Madhari, Until they met yesterday ln Qom, Shariat-Madhari and Khomelni had had direct contact since the latter's return to Iran a month

'Israel needs Suez oil'

By Ozvid Lennon in Tel Aviv

THE GULF of Suez area under Israel's control could easily provide all its oil needs for the coming 30 years, according to Mr. Eitan Eisenberg, the former general manager American oil-exploration companies operating in the Sinai.

Israel currently draws onefifth of its annual needs from the Alma field, which is discovered in the Gulf and brought on stream last year.

Israel agreed to return the area to Egypt If a peace treaty is signed, but the Government only realised the value of the area when Iran cut off oil supplies, the veteran Israell oilman explained.

It was only after the Iranian crisis that Israel hegan to place the oil issue high among its priorities in the peace negotiations with Egypt.

However, during the Camp Dayid pegotlations last week, Mustafa Khalil, Egyptlan Premier, told Mr. Mosbe Dayan, the Israeli Foreign Minister, that all the other issues in dispute bad to he resolved before talks could ally, there is no apparent hig start on the foture supply of oil. this weekend.

No reprieve for Bhutto if appeal fails, Zia hints

BY CHRIS SHERWELL IN ISLAMABAD

IN HIS MOST detailed and outspoken comment on the case so far, Pakistan's military ruler. General Zia-ul-Haq has in effect announced that he will uphold the death sentence on the former Prime Minister, Mr. Zulfikar Ali Bhutto if that is wbat the Supreme Court finally

At a Press conference Lahore yesterday he said be would not exercise his prerogative as President to decide Mr. Bhutto's fate. He added: "I see no justification why a head of state should come to a thing contrary to what has been decided by the courts."

He also accused certain "vested interests" of trying to politicise the case—an echo of the criticism already voiced in court this week by Mr. Anwarul-Haq, the Chief Justice, in referring to one of Mr. Bhutto's lawyers. "I want to make bundantly clear to them that they will never succeed in their attempts," General Zia declared.

The milltary ruler's comments come at a particularly delicate time. The Supreme Court is due to finish hearing defence arguments for a review of the controversial judgment

In a surprising contradiction General Zia denied that he had said be would consult his senior military colleaguea and civilian Cabinet when deciding Mr. Bbutto's fate.

The television interview during which he made these comments appeared in all the local newspapers thanks to a Government press release. The relevant portion of the inter view was never screened. Responding to another re

port, General Zia denied having a telephone conversation with anyone over the issue of clemency. The reports said he bad spoken to King Khaled of Saudi Arabia, probably the most influential of all beads of state in the Bbutto case. General Zia blunted the im-

pact of the appeals by saying they were being made on humanitarian grounds because the death penalty had been abolished and bad acknowledged that the matter was Pakistan's internal affair in which they did not wish to interfere.

He said he was not concerned whether a petitioner was a hig politician, military officer, tax collector or farmer. Mr. Bhutto's case was not a political case, he said, and it bad no political implications

Arab oil states to attend Egypt economic talks

By Richard Johns

SAUDI ARABIA. Kuwait, the United Arab Emirates, and Qatar have agreed to attend Egypt's main creditors, which is to be held under the aegis of the World Bank

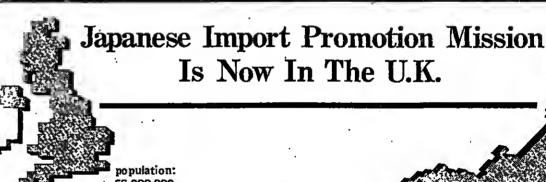
Despite their reservations about Cairo's approach to a Middle East peace settlement. the Finance Ministers of the four Arab oil producing countries gave assurances to this effect to Dr. Hamid Al Sayih. Egyptian Minister of Finance, during a meeting here of the Arab Economic Unity Council.

The four members of the Gulf Organisation for the Development of Egypt also said that they would continue to assist the country's development, according to Dr. Sayth, who described the results of his talks with them as "positive."

They dld not bowever, offer an increase in the \$2bn capital subscribed in 1976. Last summer, before the rift created by Egypt's conclusion of the Camp David's accords with Israel, they rolled over the debt plus accrued interest until the end of the century,

population:

115,370,000



We seek for British goods to Japan.

The Japanese Import Promotion Mission consisting of nearly 100 businessmen led by Mr. Taiichiro Matsuo is now visiting London, Manchester, Edinburgh, and other cities to promote imports from the U.K.

KEIDANREN (Federation of Economic Organizations) in Tokyo has drawn up a paper which is to be distributed to British businessmen by the Mission to facilitate British exports of finished goods to Japan. The paper, explaining Japanese distribution system, suggests that the best access channel to the Japanese market depends upon the nature of products. For example, exports of everyday goods such as foodstuffs, clothing, home appliances, and sundries are best handled not only by department stores but also by rapidly expanding supermarkets. On the other hand, jewelry, fashionwear, furniture, and other high-priced goods are best sold by department stores and specialty shops.

Japanese firms are trying hard to expand imports of British goods, and this effort is paying off. The dollar amount of Japanese import of scotch whisky have tripled and those of precision machinery have quintupled over the past five years. The British Market Council, established by Japanese businessmen soon after the first Import Promotion Mission visited the U.K. in 1973, has played a big role in this expansion.

Although Japan has been criticized for the current account surplus in its international balance of payments, the latest official statistics indicate that Japan's overall imports in January totalled US\$7,510,973,000 (£3,902,021,226) to surpass exports by US\$1,434,790,000 (£745,386,921). The trade balance with the U.K. is still unfavorable to the U.K., but the same statistics show that Japan bought 43.7% more British goods last year than in the previous year. Japanese trade figures are moving back into balance, which not only benefits Britain and Japan, but the rest of the international economic community as well. The Japanese Import Promotion Mission is doing its part to further this constructive equilibrium.

JAPAN INSTITUTE FOR SOCIAL AND ECONOMIC AFFAIRS. Rm =241 Ohtemachi Bldg., 1-6-1 Ohtemachi, Chiyoda ku, Tokyo, Japan KEIDANREN (Federation of Economic Organizations)

1-9-4 Ohtemachi, Chiyoda-ku, Tokyo, Japan.

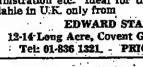


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Canada gas surplus may go to U.S. EEC's exports to Japan

THE CANADIAN Cablnet is present studying a National Energy Canadian production. Board report which says that Canada has sufficient natural gas in reserve to export 2 trillion (2,000hn) more cubic feet to the United States during the 1980s, while establishing new supplies for Eastern Canada.

Last year the U.S. imported over 10 per cent of the gas it consumed. The figure mentioned in the NEB report over the eight years stated would amount to between 25 and 30 per cent of Election. current U.S. annual imports.

Mr. Pierre Trudeau, the enough nstural gas in western provinces. By 1990, roughly Canadian Prime Minister, will Canada to justify construction discuss gas sales with President of gas-bearing pipelines beyond could be replaced by the discuss gas sales with President
Jimmy Carter, when they meet
at the White House in Washington on Saturday: The meeting warned that western gas should prices of crude
warned that western gas should prices of crude

This is a departure from the

normal Venezuelan pricing pro-cedure which calls for monthly

changes in fuel oll prices and

quarterly adjustments for crude

oil. It reflects Venezuelan in-

terest in securing the best price possible for its 700,000 to

800,000 barrels per day fuel oil

exports at a time when seasonal

provoke serious reaction on the

sider it a contract violation.

Venezuela is also weighing a

cation of a surcharge would on gravity.

BY STEWART FLEMING IN NEW YORK

reaching effects on the housing

These trends are evident from

BY JOHN WYLES IN NEW YORK

a major lobbying effort by a new coalition, the Progressive

The alliance, which claims to represent more than 100 trade

union and community organisa-

cratic Party which they believe has been lost during the Carter

presidency. Leaders of the alliance rejact suggestions that

they are a stalking borse for

system, the report says.

for their savings which offer inflow in December.

higher rates of interest than tra- The introduction of the certi-

ditional savings deposits, says a ficates wes designed to try and

In the process they are fur-would not be impeded from.

ther distorting the normal flows attracting new deposits by in the financial markets in ways regulations limiting the rata of

which could eventually have far interest they can pay to between

industry and the finencial cent depending on how many

the latest reports of the FLHBB limits, would stop funds flowing

the U.S. Government agency primate the savings associations marily responsible for regulating the savings and loan industry which provides the bulk of financing for home loans.

The Polest H. McKings and stop funds newling into the savings associations and force the housing industry into an abrupt slump as has occurred in previous interest rate cycles.

Mr. Robert H. McKinney, Since Junc. Mr. McKinney chairman of tha benk Board bas estimates that close to \$55bu

disclosed that during January has been invested in the new

the volume of savings being six-month certificates in miniinvested in special six-month mum amounts of \$10,000. With-

certificates, which currently pay out the new certificates it has

interest at close to 10 per cent been estimated that there

per annum, increased by would have been virtually no \$14.2bn. This is the biggest increase in savings deposits at Increase since the Federal Reserve Board end the Bank the savings and loans associations.

Board began to allow savings and corrected banks to increase in savings and loans associations.

The success of the six-month and corrected banks to issue

demand is high.

present annual western day by 1990, and there would be that it will probably allow to cool until after this year's election.

Mr. Alastair Gillespie, the Energy Minister, discussed the The NEB report concluded The NEB told the Govern-

known to be disappointed energy experts examining the hecause it hed hoped the NEB report suggested a more would find that a much larger realistic exportable surplus would find that a much larger quantity of gas was available for export. This, in turn, would have strengthened the Canadian

The forecast surplus-about It found that there was said. one-fifth the amount sought for enough natural gas to replace export by petrolcum companies eastern consumption of 80,000 Board handed the Federal—amounts to about two-thirds of barrels of imported cruda oil a Cabinet a political bot-potato

Venezuela seeks oil price rise

by changing supply contracts

of fuel oil to the U.S. is under representatives on Wednesday cent).

Venezuela's

price agreements.

stood to be asking buyers to to discuss the issue hut they accept modifications in supply were given no clear Indication

contracts, in order to allow it. as to wbether a surcharge would

to take advantage of current be applied or not. One foreign soaring oil prices on a day-to-oilman said that the flurry of

decision to apply a \$1.20 per is in less demand, would prob-barrel surcharge on its crude ably not be touched: exports, such as Kuwait and . At present, Venezuelan crude other OPEC members have oil prices range hetween \$11

done. Oilmen report that appli- and \$14 per barrel, depending

part of buyers who would con- state oil monopoly, which hiked

Despite Press reports that hetween \$2 and \$2.50 per

Venezuela bas decided to join barrel, has apparently been suc-

some other OPEC countries in applying the \$1.20 surcharge, no official decision has yet been bility clause. Any further

VENEZUELA. A key exporter in international oil company \$13.50 for high sulphur (2.8 per

rumour and the lack of clear

information reflected poorly on

"serious stand" on supply and

If the Venezuelan Govern-ment decides to apply the \$1.20

surcharge, it is expected to affect only the country's light

and medium crude exports

which represent around balf of

its roughtly 2m barrels per day

shipments. Heavy crude, which

Petroleos de Venezuela, the

its March fuel oil prices by

official decision has yet been bility clause, Any further Hydrocarhons Minister.

The board, Vacimientos being considered by President under the proposed day-to-day Petroliferos Fiscales Bolivianas, Carlos Andres Perez and Sr. price system would come on top is going through an administra-

Valentin Hernandez, the Energy of present minimum sales prices tive and financial crisis and is Minister. of \$19 per berrel for low \$350m in the red, according to

U.S. savers seek higher yields

AMERICANS ARE intensifying the certificates in June of last banks have also attracted

their efforts to find new outlets year. and double the rate of several billion dollars of funds

report from the Federal Home ensure that as U.S. interest retes. Americans who want to protect

Loan Bank Board (FHLBB). rose, the savings institutions their savings against inflation.

5 per cent and around 8 per

It was feared that these

years the funds are deposited.

tinister.

of \$19 per berrel for low \$350m in the red, according to The Energy Ministry called stilphur (0:3 per cent) and official reports issued bere.

traditionally

NEB recommendations at the that Canada has a natural gas regular weekly Cabinet meeting surplus of 3.4 trillion cu ft for yesterday. resterday. firm and conditional exports
The Government here is over the next 9 to 10 years. But

would be 1.6 trillion cu ft over 8 years. About C\$4bn (£1.7bn) worth dollar on the eve of the General of crude oll is imported each year to feed refineries supply-The NEB says that there is ing Quebec and the Atlantic

ton on Saturday. The meeting originally was scheduled for he chesper for eastern natural gas cannot directly be New York, but was switched to consumers than oil now Washington hecause of Mr. Carter's planned meeting with the Isrseli Prime Minister.

The forecast surplus—about It found that there was to the NEB estimates. Prices of crude oil and natural gas cannot directly be compared, but the gas would be about 30 per cent cheaper than the imported oil, in terms of the "energy equivalent," the NEB estimates.

western natural gas, according

upsurge in fuel oil demand

weather in the U.S. and the

Iranian crisis bas given Venezuela a "fantastic cash flow" at present In March 1978,

fuel oil prices were from \$2 to

reflecting the chronic instability

AP adds from Kuwait: The

Kuwait Oil Ministry yesterday

denied reports Knwait had

increased its daily oil produc-tion from 2m to 2.5m barrels

Kuwait was adhering to the 2m barrel production ceiling,

despite repeated requests by

Reuter reports from La Paz:

Bolivia's military government

bas ordered former senior

officiels of the Bolivian state oil

board ta be tried on charges of

mismanagement in the past

two years according to Sr. Mario Candia, Energy and

by this means) is spurring

The Investment Company

deposited record

Institute has reported thet

amounts of new money in

money market mutual funds in

January. These funds usually

invest in government securities, bank certificates of deposit and

commercial paper and are also abla to offer yialds of close to

The Institute estimetes that

investments in money market mutual funds totalled \$13.4bn

in January, following a \$2.5bn

into these new forms of savings

is forcing state and national legislators to re-examine regu-

lations such as usury laws which

limit the rate of interest which lenders can charge on home loans, and also the regulations

The rapid flow of new money

10 per cent at present.

rise during the month.

imitators, who are proving no less successful in persueding

Hydrocarhons Minister.

of fuel oil prices.

clients to raise this.

per day.

lower than present levels,

by severe winter

ment, in effect, that it has a choice between offending the husinessmen and voters of Quebec and the Maritimes, on the one hand, and alienating those of Ontario and the

western provinces, on the other. Simplified_the choice lies between encouraging the construcgas-pipeline systems. One would feed western Capadian gas to Quebec and the Maritimes and permit the sale of small

amonnts to New England states. The other would permit the export of nearly all of western Canada's sbort-term surplus from Alberta to the western U.S. The latter alternative would involve immediate construction, before the whole sys-tem is in place, of pipelines in western Canada and the northwestern U.S., intended to be linked later to a C\$10hn line from Alaska to the major U.S.

Carter plans new Resources Department

PRESIDENT CARTER yesterday asked Congress to create a new department of Netural Resources. The core will be the existing Interior Department, which will be lumped together with the U.S. Forest Service, taken from the Agriculture Department, and with the National Oceanic and Atmosffieric Administration, pinched from the Commerce

Department. The new department, with a S7Ahn budget and nearly 90,000 employees, is bowever likely to meet stiff opposition frem Congress, whose existing committee assignments will be upset, and possibly from western states, whose traditional hold with the present Interior Department

Each President feels an apparent compulsion to leave his mark on Washington hy reshuffling its departmental portfolios: President Carter, with his election emphasis on managerial efficiency, more than most. The Administration claims the new department, which would be headed by Mr. Cecil Andrus, the present Interior Secretary, would lead to savings of

may be diinted.

\$100m and some 2,000 jobs. But Mr. Carter's track record so far bas been mixed. He succeeded in getting con-gressional appraval for a new Energy Department in 1977, but is still striving to get a separate Education Depart-ment created. The Oceanic and Atmospheric section basically weather forecasting -is at present the largest component of the Commerce. Department which has a rag bag of responsibilities. Mr. Carter has scrapped his proposal, relterated as recently as January in his budget

Giscard offers \$200m_deal to Mexicans

Development Bank

message, to create a National

MEXICO CITY—President Valery Giscard D'estaing of France has effered Mexico a \$300m package of French equipment, technology and loans during his first round of talks with President Jose Lopez Portillo during his visit to discuss Mexico's \$225m trade deficit with France. Also under consideration dur-ing the visit are ways to-cusure French access to Mexico's 40bn barress of oll

Mexico's 40bn barrels of oll reserves.

"The offer would not be paid for with oll," a French official said. "It is parallel to oil purchases and oil would be paid for separatels."

Details of the package were unclear but French and Mexican officials base been preparing agreements on unclear and solar energy, offshore fishing development and sophisticated oil drilling machinery. machinery.

Defence policy under fire

WASHINGTON - In sweeping attack on President Jimmy Carter's defence policies, the Republican national committee said yesterday that U.S. military strength is weakening and "America is rapidly becoming No. 2.

"The failure of this administration in mational security is enormous." the committee said, sterping up criticism sounded earlier by Mr. Howard Baker, the Senute

minority leader, and Senator John Tower of Texas ranking Republican on the Senate armed services committee. They criticised President Carter for closing the Minute-man missile production line and cancelling the B-1 bomber, and for blocking production of neatron warbeads and vetoing a nnelear aircraft

show signs of faltering

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

EEC EXPORTS to Japan, which grew fas: during most of 1978 (especially in the manufactured goods field), have recently begun to show signs of faltering, just as U.S. exports to Japan are apparently taking off.

These trends have become apparent within the past two months and could yet prore to be only a temporary aberration. The figures are being watched carefully, however, by European officials who had hoped that last year's big surge in exports might mean that Europe was at last within sight of reducing its trade deficit with Japan.

EEC exports, in dollar terms, rose by 448 per cent in 1978 (from \$4.2bn in 1977 to \$6.1bn). Exports of manufactured goods alone increased hy 47.2 per cent and came within \$1bn of the value of U.S. manufactured goods exports to

In terms of the year-to-year growth rate of exports, the EEC outpaced the U.S. in every month of 1978 until December when both sides achieved increases of 45 per cent.

In January, however, U.S. exports to Japan continued to rise the EEC growth rate shrank to 26.7 per cent. Seasonally adjusted figures for individual

Jepan's All Nippon Airways (ANA) said it plans to buy about 30 airliners worth over 1200bn (more than £500m) to gradually replace its Boeing fleet. Reuter reports from Tokyo. The airline said a committee has been instructed to decide by the end of August on either one or two models, the Lockheed Tristar, Boeing 7578, 7678 and 7778, and the European airbns, are being evaluated.

0.8 per cent less to Japan in December then in the previous month while in January its exports fell off drastically by 8.6

months show that Europe sold

The slackening of EEC exports in January reflects an UK and West Germany, partially offset by a sharp (41 per cent) rise in French exports. American exports to Japan from the final quarter of 1978 onwards appear to have started to benefit from the delayed

impact of dollar ilevaluation. If this diagnosis is correct, the outlook for the next few mouths would seem to be for sharply increased competition in the Japanese market between Enrope and the United States, with the latter probably continuing to achieve a higher rate of export growth.

The U.S. and EEC were both beneficiaries during 1978 of an incresse in the ratio of manufactured goods imports in total Japanese imports to nearly 27 per cent from the previous year's figure of 21.5 per cent.

Despite this increase, and despite the fact that the EEC depends overwhelmingly on the manufactured goods sector for its sales to Japan, the visible trade imbalance widened from \$4.5bn tin Jepan's favour) in absolute fall in sales by the 1977 to just over \$5bn in 1978.

sells for about £3,000. This is

toured by Mr. Eric Vsrley, the

UK Secretary of State for Industry, has a slow and rela-

rights in suspending implementation of the contracts. The

ministry hed no particular in-

tention of intervening in nego-

tiations which hitherto had been

conducted at a privete level on the Japanese side, he said.

.The reason for the telexes is

thought to be China's realisation that it had placed orders for

too many plant imports given lts restricted foreign exchange

A mission from the Bank of

discussing Europe in the late 1950s, which

The factory.

duction system,

Y560bn orders 'reviewed'

JAPANESE PLANT contracts that China was within its legal

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

Third World urged to form global alliance

By Brij Khindaria in Geneva DEVELOPING countries should extablish a global system of trade preferences to speed up the growth of trade among themselves and promote economic co-operation, according in a United Nations report.

Experts dealing with economic co-operation among Third Work countries at the UN Conference on Trade and Development (UNCTAD) say in a report that a system giving developing countries preferential access to each other's markets, would provide a counterpart to the existing generalised system is preferences (GSP) operated by the U.S. and the Comment the U.S. and the Common Market tu favour of poorer nations.

In contrast to the USP, the new system would cover beth: trade among developing patient, along the lines currently being negotiated under the Tokyo Round of trade talks to seen haut the General Agreement on Tariffs and Trade (GATT), which has no connection with UNCTAD.

At present seven electing arrangements comprising a total of 47 developing nations are in operation in various. Third World regions. Such arrangements can help to alleviate restrictions on trade caused by shortage of international reserve currencies by encouraging use of national currencies for, settling trade accounts. Only the final clearings take place in international reserve. assets. such as the hard currencies.

The report says deficit Third' World nations should bave: tively unmechanised assembly direct access to the capital markets of developing nations with balance of payments sur-pluses. This would also help to: correct the unfair current. situation in which the largest proportion of surplus funds from developing nations are recapital markets.

SE Asian conference criticised

By Anthony Rowley in Hong Kong THREE DAYS of Intensive discussions almed at significantly Increasing Europe's industrial presence in South East Asia, and involving about 770 business men, bankers and bureaucrass ended here with the claim that they marked a "major step for ward" in EEC-ASEAN coopera-

China yesterday continued nego-However, the substantial n ministry tiations in Tokyo with Japanese yesterday banks on finance packages. end local Press to here for the occasion were told that the achievements of the mammoth meeting were largely intangible and difficult tal quantify, and were given virtually no opportunity to inquire beyond that.

After onyl two questions the final press conference was closed and the array of senior hureaucrats, bankers end Government Ministers assembled to answer questions were also clearly taken aback at the abrupt ending.

As no official explanation was offered for the veto on ques-tions speculation grew that the organisers of the giant husines jamboree were anxious to hide its lack of positive achievement Behind the scenea official and industrialists who chairee some of the eight sectorii industry meetings, attended by more than 100 participants each, were critical of the unwieldy neture of the proceedings.

Car companies in China talks

MOTOR MANUFACTURERS countries and composent companies from modernising China's main at least six major countries are seloon car fectory in Shanghal. now preparing proposals for According to Chinese planning modernising China's outdated car and truck industry.

In many cases they are likely to be told that the Chinese and Remault from France, Volkswages from Carmany and

expect them to take rehicles Volkswagen from Germany and made in the factories and sell Datson from Japan, them through their international marketing organisations in place of cash payment opposed to large Gorerament of experts travelling with Mr. cars) and it turns out 2,500 Varley was that while the

Brītain is showing most units a year. This is a sturdy, craftsmansbip was good the interest in the field of trucks rirtually handbuilt family factory needed total modernisabuses and their components and saloon of the type produced in tion. seems content to leave the prob-lems of China's factories to its competitors in other countries. British companies preparing proposals include Lucas and GKN which have each made about ten technical presentations in China. Lucas visited Shanghai last November and

for component supply and pro-Bedford is also interested because it believes it makes the sort of trueks China needs and could benefit from other actirities in China of its parent company General Motors.

Rolls-Royce Motors is also last week from Chinese trade

GKN has prepared proposals

loterested in the diesel engine corporations pointing out thet market for trucks and Smiths plant export contracts bed "not Industries has had what it can slders a positive response to A Japanese foreign some of its ideas. BL hopes to spokesman agreed spokesman agreed Companies from five other

£15m credit line for Poland

Financial Times Reporter FOLLOWING THE \$30m (£15m) line of credit arranged last year National Westminster Bank bas now signed a further \$30m (£15m) loan egreement with Bank Handlowy w Warszawie of Warsaw to finance sales of artificial fibres and chemicals by UK suppliers to Polish boyers.

The loan, as with the previous loan, is guaranteed by the Export Credits Guarantee Department and is available for contracts of \$100,000 or more. Credit will be available for 85 per cent of the value of approved contracts entered into by February 1980 with delivery up to August 1980.

AIRLINER SALES

Finns ease import curbs

signed with China at the end of last year and which ere now

understood to be "under re-view " following receipt of telex

messages from China are esti-mated to be worth Y560bn

A Japanese foreign ministry

(£1:4bn). . . .

abolished the so-called cash barder than other payments system for imports Britain and Sweden. with effect from March 1. The system required that imports of certain goods had to be paid for in cash before customa clearance and was, in effect, a non-tariff barrier.

The system was introduced when the Finnish foreign trade deficit began to grow alarmingly in 1973. It then covered about one-third of the total value of Finnish imports.

18 per cent of all imports. But even then, including as it did productive machinery, cars and other major consumer durables. from Norway.

BY LANCE KEYWORTH IN HELSINKI THE BANK of Finland has it hit some exporting countries barder than others, notably

 The Finnish state-owned oil company, Neste, has bought a 229,000 dwt supertanker from Norwegian shipowner Wrangell at an undisclosed price, the company announced this week, AP reports from Helsinki.

Neste said the price of the deal could not be disclosed, but edded that the supertanker T/T Corona, which lies stripped in Haugesund, Norway, cost November, 1978 to cover about a new ship of that size. Corona 18 per cent of all imports. But was built in 1973. In addition Neste plans to huy

two more stripped supertankers

Promising outlook for Boeing 757

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

Today, British Airways is due bigger semi-wide-bodied 767 jet sign in London its £400m alreedy launched by Boaing end to sign in London its £400m contract for 19 of the new Boeing 757 short-to-medium range jet airliners, using the new Dash 535 version of the Rolls-Royce RB-211 engine. This deal will be followed

soon hy the signature by Eastern Air Lines of the U.S. of its own £400m contract for 21 of these airliners, also using the Dasb 535.

The effect of these orders, jointly worth £800m, will be far-reaching on the world civil aviation scene. In recent months, there has been a tendency on the part of competi-tors abroad and others (including this week's leaked Treasury report on Government iodustrial spending) to suggest that the 535 engine would not win the orders needed to justify the £250m earmarked for its development. There have been other claims that the Boeing 757 itself was not a firm pro-gramme. The new BA and Eastern contracts, which are expected to be followed by others within a few weeks, refute those claims, for several

First, they mean that both Boeing and Rolls-Royce are committed to provide for the

bigger semi-wide-bodied 767 jet alreedy launched by Boaing end which has won firm orders for the 535 engine, but out of totel orders for upwards of 1,000 air.

Already, Boeing is discussing world-wide world-wide could get at leest half.

Rolls-Royce does not expect use in the U.S. The U.S. plant will elso undertake a substantial volume of research and development work. Although complete engine manufacture there is not could get at leest half. with other airlines world-wide could get at leest half. further orders for both new Aiready work on the 535 is types of jet, and expects firm sales soon.

Breakthrough for R-R Together with the firm orders

for mora than 700 new jet air-liners of all kinds worth more than £8.5hn, placed by the world's airlines last year, the new rontracts confirm that the long-awaited re-equipment lide long-awaited re-equipment lide is now flowing throughout the airline industry. Before the end of the 1980s, this is expected to have added more than 4,000 new airliners worth over £40hn to the world's air fleets.

Bocing will now be able to take back to the world's airlines the detailed specifications agreed by British Airways and Eastern Air Lines for the 535-powered 757, enobling those

powered 757, enobling those other operators to assess them against their own needs. For Rolls-Royce, the contracts represent an immense break-

liner since the Lockheed TriStar in the late 1960s to be

well advanced at Rolls-Royce's Derby factory. Components are being mada for 10 development engines, six of which will be on test before the end of this year. Deliveries are due for the first test-flight of the 757 in 1981. The engina will have an initial thrust of 37,400 lbs. Together with other major

engine progremmes, including other versions of the RB-211 such as the Dash 524 and Dash 32 models, Rolls-Royce will have a heavy engineering work-load in the UK in the years ahead. This is one of the reasons why the company has now decided to set up a £50m aoro-engine factory of its own in the U.S. possibly at Atlanta, Georgia. Georgia.

This will not only ensure that U.S. airlines using Rolls-Royce engines can get them repaired and overhauled in the U.S., but will also ensure for Rolls-Royce through into a new market. The a direct footbold in the increas-Boeing 757 is the first U.S. air- ingly competitive U.S. engine

currently envisaged som' engine parts could be made

For British Airways, the 75 deal represents a chance introduce a naw jet that wi' progressively teke over from Trident Threes in the 1980s on the longer routes in Europe where traffic is growing and where improved performance is necded to meet rising fuel and other costs as well as increasingly stringent noise regula-

Other buys

The 757 is not BA's only new Out of its planned Libn re-equipment programme the airline is also huying 28 Boeins 737 short-range jets, t9 for its own needs and nine for its hollday flight subsidiary, British Airtours, to replace Ones and Twos, One-Elevens and in Alrtours the ageing 70's now used on hollday routes.

Together with further extensive purchases of Boeing 747 long haul Jumbo jets and Lockheed TriStars for medium committed to provide for the 171Star in the late 1960s to be 11 Delieves that by the 1980s a new, narrow-bodied, launched with a British engine, short-to-medium range 200- and Rolls-Royce has thus won seater jet which, they believe a headstart over its two hig running at upwards of 400 a microaft of the provided Rolls-Royce has thus won types of RB-211 engines will be concorded (perhaps being will win orders for as many as rivals, General Electric and year, worth over £500m including RA believes it will have one of the modern jet fleets; its 000 aircraft.

Prait and Whitney, in the shorting spares, of which a subthe most modern jet fleets in the 757 will supplement the to-medium range airliner field, stantial proportion will be for the world.

tions, is focusing initial efforts on a determined attack on the Presidents 1980 budget pro-posals, it placed large advertiscproposals. including Americans for Demo-cratic Action, the National Organisation of Women, and a organisation of women, and a number of black groups. Subsequent meetings have drawn support from the Urhan League, the American Federation of Labour—Congress of Industrial Organisations and a number of higher federal spending on social welfare and against the ments in the Washington Post and the New York Times on Wednesday to accuse the Presi-

dent of making symbolic cuts in federal spending which were economically unnecessary but which would belp "diminish the quility of life for most Americans." With the presidential primaries less than a year away. the alliance is exciting interest because it is the most visible effort by dissident Liberals to regain ground within the Demo-

The alliance was formed last October on the initiative of Mr.

Board began to allow savings

The success of the six-month which restrict the interest rates and commercial banks to issue savings certificates (commercial which can be paid on deposits.

Liberals lobby against budget cuts

Douglas Fraser, president of the powerful United Union of Autoworkers. Some 114 organisa-tions were represented at an inaugural meeting in Detroit,

Mr. Fraser's invitation to last proposed cuts. October's gathering argued that The White House appears there must be a counter to the confident that it is reading the "newly sophisticated right-wing public mood more accurately corporate alliance" and that than the President's liheral "progressive power" in the U.S. critics. Fiscal conservation is was adding up to much less than clearly popular in large parts of the potential of its parts.

During the past two days Mr.
Fraser, Mr. Jerry Wurf of the
Municipal Employees Union, the
U.S.'s third largest, and Msrian
Wright Edelmen, directo of the
Wright Edelmen, directo of the

LIBERAL DEMOCRAT disencbsntment with President
Carter has surfaced in Washington in the last two days with also addressed a mobilisation rally of alliance supporters attended by more than 350 people. Alliance members yes terday lobbled individual congressmen to urge restoration of federal welfare programmes threatened by the budget

Meanwhile the congressional black caucus was reminding President Carter at a White higher federal spending on social welfare and against the

the country but the liberal

d World ance

Khindaria in Geneva MNG countries in a global arrange in speed the of trade in co-operation bring inited y arrange in the co-operation bring in the co-operation co-operation bills

lines currently on the Continent. ients comprising reloping Lation; an in various E gions, Such inc

ns on trade cause of international :::s by encouraging e enter mit al

Asian terence icised

DAYS of

d to a global

arch 2 1979

Reckitt plans joint venture in W. Germany

BY SUE CAMERON, CHEMICALS CORRESPONDENT

dealing with ecology RECKITT AND COLMAN, the on among Third UK-based pharmaceutical and at the U.S. Brazil and other Lauratine III Conject consumer products group, is a seriogy planning to set np a joint ventous giving developed ture company with Boehringer resources for the new marketing preferential acts of the staff and other resources for the new marketing project. But the two preferential acts of the new marketing project. But the two preferential acts of the new marketing project. But the two preferential acts of the new marketing project. But the two preferences of the new marketing project. But the two preferences of the new marketing project. But the two acts of the new marketing project and in the treatment of a counterpar. It wo of its prescription-only generalised system developed in the UK.

generalised System drugs there.

Es (GSP) operated Reckitt said yesterday that and inc Compared the project was part of its long-in favour of term plan to build up its pharmacentical business interparationally using drugs that it rast to the Cope nationally using drugs that it West Germany and this is em would core the UK. The new joint comthe early 1980s. Both drugs i non-taria batte, pany will mark Reckitt's first are already registered and sold in the UK.

Innes currently venture into prescription drugs in the UK.

Possitionar Manufician and

The Carl State of the Carl Sta

Boehringar - Mannheim already started work on the

d under the the Tbe group already sells overf trade tolks to the counter medicines such as
General Asterona, Disprin in Europe. It has also
and Trade tolks set up joint venture companies yesterday Reckitt would not give
as no connection; to market prescription drugs in details of the sums involved.

Government attacked over interest rates

BY MICHAEL LAFFERTY

was attacked by Mr. Ralph Stow, chairman of the societies, through the Govern-Building Societies' Association, last night. He said it caused high interest rates and called for a public debate.

Mr. Stow said that recent upward pressure in UK rates had been generated domestically. The balance of payments was in equilibrium, gold and currency reserves had improved and the releping tation pound bad been steady on to enter the foreign exchanges.

There was no external pressure on interest rates, yet money was circulating within the economy—from the Bank of England, through commerce and similarly represented."

FINANCIAL industry, through financial interment in taxation, and back to the Bank-and at most stages paying more and mnre in increased interest rates.

The "modern myth." that government can only finance its essential borrowing requirements by offering even higher

sounder philosophy "I see the Bank of England bas been urged to appoint a

Machine-tool industry orders rising fast

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

industry are on a sharply rising bome market, trend, with those for export In October enjoying the most buoyant were at their highest level since increase, say figures in the the beginning of 1977, although Government journal Trade and still well below the peak levels

ORDERS FOR the machine tool increase of 8 per cent from the In October new export orders

of 1973 and 1974. The recovery in the home mar-

Industry today.

The volume of new machinetools, ordered from July to
October last year was 13 per
cent above the previous threemonthly period. This was made
np of a 24 per cent increase in
new export orders, and an

Marconi secures £20m radio order for Army

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

MARCONI SPACE and Defence known for some months. Systems, a member of the GEC-Marconi Electronics Group, has won a contract worth more than agreed between the company f20m from the Ministry of and the Inland Revenue.

CENTRAL GOVERNMENT funds must be available to neighbourbood advice centres as an alternative to local-authority finance if the centres are to remain independent, the Royal Commission studying legal services will be told today.

THE MAIN company of Pilkington Brothers, the glass-making group, is to become solely a bolding company with the transfer of its remaining manufacturing industries to two naw subsidiaries.

Horizon prices

E20m from the Ministry of Defence for radios for Army vehicles in the 1980s.

The group's VRC-353 radio has been designed specially for military vehicles and is part of the Clansman range of radios with which the British Army is being equipped.

The contract will employ 600 people at the company's Dunfermline factory for aeveral years.

Tax case delay

THE NEXT move in the Marine
Midland tax case may not be

CHRYSLER UK bas increased the prices of all Horizon models by 2.1 per cent. The cheapest Horizon now costs £2,799.80.

Museum buys drawing of Cheapside offices

PUBLIC institutions were active of the same work brought in the saleroom yesterday at £4,200. watercolours and drawings. The Victoria and Albert Museum paid £220 for a 1937 drawing by Cyril Farey of offices in Cbeapside, and the National Trust bought a sustantial process. Sotheby's anction of British Trust bought a watercolour of Clumber Honse in Nottingbam-

Westminster City Library paid £170 for a design for houses in Old Queen Street by hy James Campbell brought Farey, while Margate Library 53,600. A coastal scene by Ivan 23,600. A coastal scene by Ivan Aivazoffski sold for £2,600. Christie's sale of oak, pewter breakfast at Margate for £70.

The coastal scene by Ivan Aivazoffski sold for £2,600. Christie's sale of oak, pewter breakfast at Margate for £70.

At the Bonbams European

SALEROOM BY ANTONY THORNCROFT

for £4,800, wbile Our Village Clockmaker Solving a Problem by James Campbell brought

The top price was the £1,050 record total for an auction of paid by a private purchaser for an album of works by George

And MELAWORK products of record total for an auction of this kind of £127,586.

Phillips disposed of musical Phillips disposed of Philli Phillips disposed of musical instruments for £54,059 with In a sale of books on travel Venetian violins in demand. One and topography at Sotheby's, made by Giovanni Schwarz in Chancery Lane, The Holy Land by David Roberts in six volumes other by Eugenio Degani, of fetched £4,400 and another copy 1891, made £2,600.

Bank lent £30m to chairman's companies, QC alleges

BY JAMES BARTHOLOMEW

the only fringe bank to collapse in the crisis of 1973-74, defraud. lent £30m to four Lichtenstein companies founded by the chairman of the bank. That was alleged yesterday by Sir Michael Havers QC, the leading prosecution counsel, on the first day of the fraud case against three directors and an auditor of the now defunct bank.

Mr. Harry Landy, former chairman and joint managing director, Mr. Arthur White, Mr. Charles Kaye and Mr. Peter Lynn, an auditor, deny conspir-ing with the late Mr. Walter Williams, the late Mr. Isaac Cotton and Mr. Joshua Bension. at present in Israel, to defraud lenders and depositors between 1968 and 1974.

The three directors also deny

invoices, knowing them to be the guiding light of the bank. false and with intent to

Sir Michael said that the bank nominally had assets of £49.4m and liabilities of £43.8m. But the assets were found to be worth considerably less and the net liabilities were now expected to amount to about

Three factors accounted for shortfall. Loans and advances of £30m were made to four companies in Liechtenstein which were founded by Mr. Landy. Those loans were unsecured, Sir Michael said. They were not guaranteed until 1972 and the guarantees turned out to be worthless. Almost all the foreign loao book was to those four companies.

Just under £5m was lcnt to

The loans were on "amazing terms," Sir Michael alleged. Mr. Landy, who was married to Mr. Williams's eldest daughter, received a loan which Sir Michael described paradise." It was £1m interestfree and unsecured. would draw upon the bank for any use they Michael said.

Bills of exchange worth about £2m covered diamond shipcounted in London but the diamonds did not exist and the documentation was false. The bills had been used by the parent hank, the Israel-British Bank of Tel Aviv. to circumvent Brilish exchange control regulabanks from being overdrawn on conspiring with Mr. Bension the family of and companies their sterling account. It was and Mr. Cohen to ntter forged related to Mr. Walter Williams, also a way of raising funds.

Bid case accountant reprimanded

THE ENGLISH Institute of insider dealing. Chartered Accountants bas taken disciplinary action against Mr. Peter David Brown, a director of Portfolio Management, after last October's statement by the Takeover Panel, which censured Mr. Brown for alleged

It has reprimanded Mr. Brown and ordered him to pay £100

The case concerns dealings by Electronic Holdings when he Racal Electronics, was contem- remain a chartered accountant.

Mr. Brown has always insisted that he had no knowledge of the possible Racal hid. He said yesterday that he had no faith

Mr. Brown in the shares of Ultra in the procedures of the panel. He says that he bas no quar rel with the institute and will

Ocean line sells 26th ship

By Lynton McLain

Trading, the Liverpool shipping company, bas sold the 51,000-deadwelght tons bulk carrier Hector, bringing to 26 the number of ships it has sold since January last year. The company lost £2m on

sale of its ships in the first half of the financial year, which ended on December 3L This compared with a profit of £658,000 on ship sales in 1977. The Hector was sold to EuroCanadian Shipholdings, which will convert ber for container work in the North

Atlantic. the Hector and another vessel, the Prome-theus general cargo liner, which bas also been sold, are delivered to their new owners, the total Ocean Transport and Trading fleet will be 31 ships.

This is less than half the number of ships which sailed under the Ocean flag at the beginning of last year.

Total value of the ship sales has not been disclosed, but is

expected to run into tens of millious of pounds. Prices of second-band ships, which reflect activity in shipping, were more than 50 per cent higher in January than a year earlier.

Ocean bas responded to this rising market, and used the sale of ships to help fund new,

Oil import bill cut by £600m

BY KEVIN DONE, ENERGY CORRESPONDENT

production by the UK last year helped cut the import bill by £600m compared with 1977, and petroleum exports were worth £2.2bn, an increase of £192m over the previous year. However, the petroleum import bill was still £4.8bn.

Crude oil production from 12 North Sea fields is building up gradually and in January was providing more than two-thirds

About 44 per cent of North
Sea crude production was exported last year. Most North Sea oil is light and has a low sulphur content, which makes it suitable for refining into light products, such as netrol,

products, such as netrol, nanhtha and middle distillates. In order to produce the full range of oil products most economically, however, UK re-fineries need a mix of crudes, which mean that a large part of North Sea oil will always be exported in exchange for other crudes from the Middle East

North Sea production in January averaged 1,458,941 barrels a day, compared with 1,348,251 barrels a day in De-

RISING North Sea crude oil from the Department of Energy total crude oil production in the UK last year, including condensates, was 53.4m tonnes, some 40 per cent bigher than the pre-

The total output of refined products was 89.2m tonnes, 3.3 per cent bigher than 1977. The largest increasea in demand were for the lighter products, output of jet fuel was up by 19.5 per ceut, petrol was up by

of UK needs.

The UK is expected to reach
net self-sufficiency in crude oil
net self-sufficiency in crude oil
Natural gas is also playing
an increasing role in the UK Britain will still have to import energy market. Last year the total supplied was 3.1 per cent up on 1977. Imported gas, mainly from the Norwegian portion of the North Sea Frigg Field, accounted for naarly one-eighth of the total, and there was a reduction of 5 per cent compared with 1977 in the amount of gas taken from the UK sector of the North Sea.

Because of the very cold weather, gas sales in January reached an all-time record of an average of 490m therms a week, 12 per cent higher than a year ago.

Total coal production creased by 1.4m tonnes last year, an increase of 1.2 per cent, to 123.6m tonnea. But the UK burned 2.9 per cent less coal last year, a reduction of 3.6m

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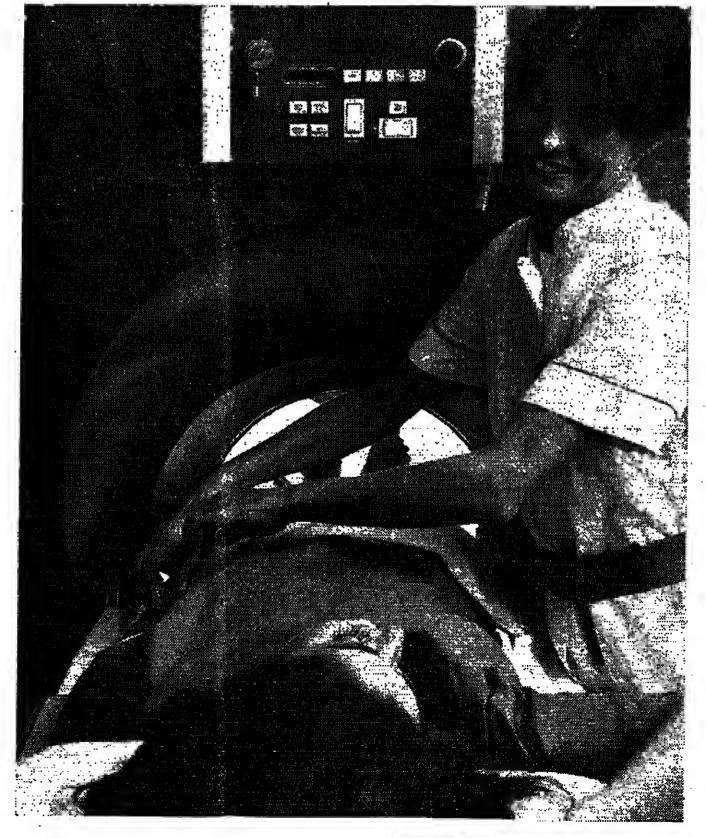
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BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

yesterday flexed the muscles it than were necessary has been holding in check for "We helieve that

BOC, the supplier of in-dustrial gases to most of British industry, had songht a 9.8 per cent price rise hack-dated to last October. Its main competitor— Air Products—had sought, and been given, a 6 per cent increase commission last

only to recover increased costs but to meet its target rate of return on capital and make an adequate profit. —12 months after its applica-tion for a price rise and 18 months after the company's last

Previously the commission's strongest move bad only been to cut price rises sought by hig companies—Ever Ready and Butlin's are two examples—but never before had it recommanded a total freezc.

the company for its much-publicised "phoney" produc-tivity deals in the last two pay rounds—settlements which the commission's report clearly reveals were not self-financing, as bad been claimed—but because the company's management structure and leck of

COMMISSION control had led to higher costs We helieve that the issue of the last 19 months and—for the confirst time—recommended that a significant to have emerged in this investigation, and therefore that the issue of the cumulative effects of the problems we bave noted have been given considerable weight in determining our recommend-ations," says the Commission's

> It believes there is sufficient scope for the company to im-prove efficiency to enable it not

ciency aspects of BOC — whose chairman, Sir Leslie Smith, bas been recently appointed a part-time member of the National Enterprise Board - the comagain that it does not intend to be used as a pay board to monitor wage deals.

Instead, the BOC report is a direct result of the commission's The commission's tough move is all the more surprising since it was not aimed at penalising ciency rather than a front-line fighter in the battle against ioflatioo. Mr. Charles Williams, chair-

man, has acknowledged the difficulties of any body such as the commission to have more than a marginel effect on limiting the

Instead, Mr. Williams and his



SIR LESLIE SMITH Chairman of BOC International

effect in the long term on inflation then sbort-term controls. The aim, therefore, has been to identify the market leader in various sectors of industry and closely examine that company's efficiency in the bope that e critical report will have reprecussions on other companies in

is that under three months (the length of a Commission investigation) is ton short a time for a team of investigators to make the final pronouncement on the management of a diverse and complex company in an important industry. Monopolles Commission probes usually take years rather than months, critics of the Price Commission point

Such criticisms, however, have not diminished the commission's determination to improve the general level of efficiency in British companies.

In the case of BOC, the commission is critical of both the company's management structure as well as the number of managers. The report argues that BOC's decentralised approach to management control bas created unnecessary prob-

colleagues believe that increased efficiency and competition have a far more lasting from BOC heedquarters. between the centre and the operating units and bas not been the best method of con-trol for what is essentially a national logistics system," the

hat sector. tribution of bulk and cylinder its planning and budgeting pro-The main argument against gases should be organised on a cedures are satisfactory."

the policy, which has been made national basis with central clear by the CBI and the Conservative Party among others.

After the commission began its

investigation into BOC. the company started to change its management organisation "in a market place, reduce costs and reinforce the direct relationship between Head Office and the operating units." The report says that the "present functional organisation will be replaced by one based on business groups with the responsibilities being clearly defined and related to accountabilities."

The report also highlights the growth in the management salaries bill over the last few years, due to the increased recruitment of graduates and skilled technologists. BOC, says the report, is determined that the company should grow, and believes that this must include renewing and revitalising its technology. But the report suggests thet

BOC's dedication to growth has perhaps resulted in a delay in the recognition of the need to reduce the cost of management which has become too high relative to levels of output." On the credit side, however, the report says that BOC is an efficient producer of gases. "It

report says.

Instead the commission considers thet production and dissert the production and dissert tonnage and bulk supply, and

NEWS ANALYSIS

BOC FACES ONE-YEAR FREEZE BY DAVID CHURCHILL

year.

Apart from management costs, the report is highly critical of BOC's productivity, especially fullowing substantial produc-tivity pay awards in 1977, and

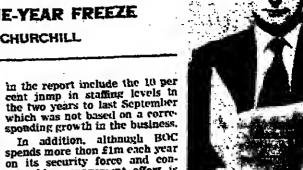
"We bave seen no evidence that the productivity agreements were constructed to lead to gains in efficiency at nuchanged levels of production." It points out that production for the nine months from

January to September last year
—after the 1977 strike and pay
settlement—did nnt reach the level of the previous year. The commission calculates that "If untput per man is not increased to compensate, the

productivity payments for the two years together could cost the company in 1978-79 as much as the additional revenue which would arise from the proposed price increases under investiga-

The commission therefore suggests that, in view of the scale of the pay settlements, management and uniona will feel an urgent and continuing responsibility to review stan-dards of operational efficiency to improve productivity of all

Other cost increases criticised



MR. CHARLES WILLIAMS Price Cemmission chairman

ryinders are missing each year nt a cost of £1.7m. And very large volumes of gas are dis-tributed in cylinders to an illicit morket for which no revenue is received. The esti-mated loss is £1}m to £2m a necessary improvements in controls, staff and labour efficiency, the target return would be attained and perhaps

> In spite of the tough words in the report, the commission does offer BUC a concession, it serious progress " is made in the company's programme to improve efficiency, then the commission would look favourably on any new applies tion for a price rise.

> permanent pases and dissolved neceptene sold in culinders, cylinder rentals, and fixed Price Commission

The Community leaders had

no clear defence strategy, and

summit meetings of heeds of

cock," he said.

state regularly went off at "half-

captains of great ships, they resemble befuddled sailors

rearranging the deck chairs on

"So, far from looking like

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BY JAMES MEDONALD

FUTURE GROWTH in the tribution appareotly favours multiple 13.2 per ceot. chains, according to a financial In manufacturing, Polycell is

ebout 32 per cent of the market

Among the distributors, the biggest companies, such as MFI and Status Discount, show e return on cepital of about 50

The multiples. Stanley, range between 24 per cent and 37 per cent; their profit margins run between 5.8 per cent and 6.8 per cent.

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£1bn-a-year do-it-yourself market Southern hes profit margins of

survey by Jordan.

It says that the multiples, although operating through only 8.5 per cent of the individuel outlets, have captured facturers of ceramic tiles, beautiful to a manufacturing, Polycell is outstanding, with a profit outstanding, with a profit outstanding, with a profit outstanding, with a profit outstanding, Polycell is outstanding, with a profit outstanding, with a pro Johnson Richards Tiles, the

higger, bas performed much hetter than Pilkington Tiles. Marley Homecare, although challenged closely by Texas of about 50 Homecare, sald thet it was retail market leeder in 1977. Given including that distribution is still changing names such as the B and Q an everage 12 per cent com-Group, Home Charm and A. J. pound growth rate projected for the trade seems reasonable.

The British DIY Industry (Jordan Surveys, Jordan House, Brunswick Place, London N1,

Outlook good for big Top people taxed 45% do-it-yourself chains of gross earnings

PEOPLE—married or single— fits, as well as wages and to 23.1 per cent. The progressin the ton 1 per cent of money salaries. in the top 1 per cent of money salaries. earners beve paid on everage more than 45 per cent of their gross earnings in income tax, units" - normally according to new official esti-

An article in the February issue of Economic Trends, published yesterday by the Central in tax. Statistical Office, analyses the distribution of personal income

Just helow the top 1 per cent the next 9 per cent of "taxcouples or single people—paid more then 2ā per cent of gross income in tax, while the bottom 20 per cent paid only 2 per cent

The tax system cuts the sbare distribution of personal income of total incomes of the top 1 per in 1976-77, including pensions, dividends and non-taxable hene-

Engineers' rises between 13%-17%, survey shows

PROFESSIONAL engineers in range 30 to 34, the average has the UK beve received salary in creases of between 13 and 17 is aged 55 to 59, the average is aged 55 to 59 the average per cent in the last year, sur- engineer is paid between £10,000 :markets. veys hy the major engineering and £3,400, depending on the branch of engineering.

The increase brings the average salary for civil engineers is slary of civil and erson to £6,800 a year and for electrical engineers to £7,240 e year.

The average salary of professalary of civil and through sterling's appreciation, although different in dicessalary of reduce its dependence on the public sector. But the average salary of professalary of professalary of professalary of civil and through sterling's appreciation, although different in dicessalary of reduce its dependence on the public sector. But the average salary of professalary of civil and through sterling's appreciation, although different in dices showed varying losses.

The survey shows that the quarter of last year, mainly through sterling's appreciation, although different in dices showed varying losses.

The secret electrical engineers is 7 bronght big recoveries in price to reduce its dependence on the brongh big recoveries in price to reduce its defence role for the European through sterling's appreciation, although different in dices showed varying losses.

The secret electrical engineers is 57 bronght big recoveries in price to reduce its defence equipment.

France produces 150 AMX 30 battle tanks a year, he said, and increase in cost competitiveness.

tenth from 2.5 to 3.0 per. cent. The figures show almost no change in the distribution of pre- and post-tax income be-tween 1975-76 and 1976-77. Income sources between dif-

boosted the share of the bottom

Income sources between dif-ferent levels in the distribution. scale vary significantly. Wages and salaries make up more than 80 per cent of the income-units in the upper half of the distribution, but account for only about 25 per cent of the-bottom quarter's income. Nearly two-thirds of their income contwo-thirds of their income contwo thirds of their income con-taxable benefits. Ilke supplemen-tary and unemployment benefits.

The latest issue of Economic Trends also includes the first of a séries of regular indicators,

monitoriog five aspects of the UK's price competitiveness in manufactured goods in world

Britain lost competitiveness throughout 1977 and in the first

Rippon calls for large-scale aid programme by EEC

duces 2,000 battle tanks.

Pact members.

This is at a time when the

"These matters are manifestly

GNP of Nato countries is almost

three times that of its Warsaw

of concern to the European Parliament," he went on. "We

cannot exaggerate the danger to

us and to the whole alliance, if

sidereble management effort is

directed to reducing illicit

losses, more than 30,000 cylinders are missing each year

The annual cost of these

losses is broadly equal to the

estimated additional revenue

that would have been achieved

from the proposed price in-

creases, the report points out,

without the proposed price in-

creases and any other changes,

the company's return on capital on its cylinder business is likely

to fall to about al per cent in 1978-79, against a tarrect of 10 per cent on a current cost accounting basis. But the com-

mission believes that by achiev-ing a bigher return on sales

to some larger customers and

The report acknowledges that,

the four countries.

development programme on a scale comparable to the post-

Mr. Rippon put the amount of aid needed at between \$5.6bn (£2.77bn)—equal to the total current deficit of the

of years. Mr. Rippon foresaw e greater

THE UNION STEEL CORPORATION (OF SOUTH AFRICA) LIMITED (Incorporated in the Republic of South Africa) REPORT FOR THE YEAR ENDED SIST DECEMBER 1973

Europe's industrial and techno- the Titenic," he added.

The audited consolidated profit before taxation for the group for the year amounted to R6 112 000 compared with a profit of R1 124 000 for the previous year. Group taxed profit for 1973 totalled R3 602 000, which reflects an increase of

The following aspects must be taken into account when considering the results for the year:

-The improved profit position is primarily due to higher profits realised by the steel division. Capacity utilisation of the steel plant was at a satisfactory level during the

-The copper division improved its profit position.

The USCO Aluminium Corporation sustained a loss for the year doe to a substantial drop in demand for conductor. The turnover for bare aluminium stranded conductor declined by 66 per cent for the year under

for this product group.

Improved cash flow resulting from increased profits contributed to a reduction in interest charges of R564 000 for the year.

Provision had to be made for taxation amounting to R2 510 000 for the group due to bigher profits realised during the year. Taxation during the previous year amounted to R41 000.

DIVIDEND ANNOUNCEMENT

27th February, 1979.

Notice is also given that a dividend of 5.5 cents per 50c share has been declared on the ordinary shares.

Non-resident shareholders tax of 15 per cent will be deducted from dividends where applicable.

Transfer Secretaries; Consolidated Share Registrars Ltd., Registered Office: General Hertzog Road. P.O. Box 48. 62 Marshall Street, Jobannesburg 2001 (P.O. Box 61051 Marshalltown 2107) Vereeniging 1930.

London Office: 40 Holborn Vladnet, ECIP 1AJ.

THE BBC has more than film of advanced equipment lying of advanced in the use of one unit, the BBC to operate it. Mr. Interhowan said the important largineers without any ENG on the limit the use of one unit, the BBC to operate it. Mr. Interhowan said the important largineers with the time that has been lost in introducing ENG on Electrical Engineers. With the ment lout in the time that has been lost in introducing ENG on Electrical Engineers. With the ment lout in the time that has been lost in introducing ENG on Electrical Engineers. With the ment lout in the time that has been lost in introducing ENG on Electrical Engineers. With the ment lout in the time that has been lost in introducing ENG on Electrical Engineers. With the ment lout in the time that has been lost in introducing ENG on Electrical Engineers. With the ment lout in the time that has been lost in introducing ENG on Electrical Engineers. With the ment lout in the time that has been lost in introducing ENG on Electrical Engineers. With the ment lout in the time that has been lost in introducing ENG on Electrical Engineers. With the ment lout in the time that has been lost in introducing ENG on Electrical Engineers. With the ment lout in the time tha PRICE INCREASES OF 7% WILL TEST CUSTOMER LOYALTY

British Steel gambles on goodwill

BBC chief criticises new technology delays

range of its products has left many steel traders and customers wondering whether such increases can be made to

Since It has only about 54 per cent of the British steel market BSC is already under considerable pressure from imports and from the more competitive privete sector pro-For more than two years the

corporation bas shown extreme caution in applying price increases, choosing its moments for raising the prices of individual products and taking care that no single increase should leave British steel plants exposed to the full blast of competition from cheaper imports. A 7 per cent increase would put up British steel users' purchasing bills by £85m

a year. British Steel has good reasons for seeking higher prices. The corporation is in a financial market is accounted corner. By the end of the private sector steelmakers, current financial year it will British Steel is seeking the price increases on sheh forms between incurred a negative cash flow of £2bn over three years.

business and to the fixpayer is to charge those bigber prices.

Tha catch is that British makers, the construction steelmaker in Europe, is not operating in isolation in the British market.

The catch is that British makers, the construction industry, process plant makers in the and engineering.

The National Association of steelmakers to charge what the British market.

The National Association of steelmakers to charge what the steel stockholders recognises market will bear. British Steel that it could be involved in badly needs to carry on the steelmakers.

Imports

Attempts to limit cross-border sales by EEC spelmakers between member nations of the Nine hava not, so far, worked very well. Imports of steel into Britain, as a percentage of total British consumption, have risen every year since 1973 and are now touching 23 per eant of the total market. The remaining one-quarter of the British market is accounted for by private sector steelmakers.

**Member companies opted to switch more of their business to trading in cheaper imported steel, while other companies some industry.

**Member companies opted to switch more of their business to trading in cheaper imported steel, while other companies opted to switch more of their business to trading in cheaper imported steel, while other companies opted to switch more of their business to trading in cheaper imported steel, while other companies opted to switch more of their business to trading in cheaper imported steel, while other companies opted to satelly a steel, while other companies opted to satelly a steel, while other companies opted to satelly a steel, while other case for supporting a strong indigenous bome industry.

**Members of NASS say now that the average price advantage of imported steel, while other case for supporting a strong indigenous bome industry.

**Members of their business to trading in cheaper imported the case for supporting a strong indigenous bome industry.

**Members of their business to trading in cheaper imported the case for supporting a strong indigenous bome industry.

**Members of NASS say now that the average price advantage of imported steel, while other companies.

e showing a return.

The management of British out the agility that can, on Steel must seek to imaximise profits on sales in an attempt to recoup some of its losses. If the market will stand higher prices in some products the corporation reasons that its guty to its business and to the taxpayer is to charge those higher prices.

The catch is that British countries and the may be reckoning without the agility that can, on correction puts np its prices now it must let in more imports."

Stockholders also are concerned because higher home steel prices will give them new cash flow problems over financing the steel they must hold in stock at all times.

The catch is that British makers the companies, can makers the companies, can makers the corporation puts np its prices now it must let in more imports."

Stockholders also are concerned because higher home cash flow problems over financing the steel prices will give them new cash flow problems over financing the steel prices will give them new cash flow problems over financing the steel prices will give them new cash flow problems over financing the steel prices will give them new cash flow problems over financing the steel prices will give them new cash flow problems over financing the steel prices will give them new cash flow problems over financing the steel prices will give them new cash flow problems over financing the steel prices will give them new cash flow problems over financing the steel prices will give them new cash flow problems over financing the steel prices will give them new cash flow problems over financing the steel prices will give them new cash flow problems over financing the steel prices will give them new cash flow problems over financing the steel prices will give them new cash flow problems over financing the steel prices will be received by member industries such as an total price will give them new cash flow problems over financing the steel prices will be received by member industries such as a steel prices will be received by member in

was a year ago when some member companies opted to switch more of their business to trading in cheaper imported steel, while other companies stortly defended the companies

as much as 20 per cent cheaper. One company is already experienclog difficulties buying heavy plate from British Steel

THE Brilish Steel Corporation's capital investment projects petition from foreign producers, corporation puts up its prices plan to seek price increases of which bave not yet started But that may be reckoning with now it must let in more

Steel Stockholders recognises market will bear. British Steel that it could be involved in another internal dispute as it tradition if it is to reduce its was a year ago when some losses. The members of the member companies opted to British Independent Steel Proswitch more of their business discrete dispute allow upon those higher prices. align upon those higher prices if British Steel gives the lead. But steelmaking is now in a new world where decisions in Brussels, Brazil or South Korea can have a swift impact on the

British domestic market.
If British Steel does introduce
Its new price list In April, and therefore puts up its prices to about 15 per cent above the ruling levels in Europe, it will be taking a gamble that customer loyalty and the con-venience of local service can That will be made up of filbn the expectation that it has a and says the corporation is outweigh the attractions of lost on trading and a further sufficiently firm grip on the quoting delivery dates as far imported steel supplied at filbn spent on unstrippable market to deter increased com- aread as June, adding: "If the significantly lower cost.

A PROGRAMME of large-scale the Soviet Union annually pro- logical capacity is continuously

erodcd.'

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

EEC aid to Turkey, Greece, Spain and Portugal was called. for yesterday by Mr. Geoffrey Rippon, leader of the British Conservetive group on the European Parliament. It is urgently needed to

strengthen the West's defence, he said, and prevent the collapse of the "fragile political institutions and economies" of "We need to formulate a

war Marshall Plan," he told the Cambridge University branch of the Young European Demo-

four countries—and \$22.5bn (£11.3bn), equivalent to 2 per cent of the gross national product of the Nine EEC states. The development programme would be phased over a period

The directors announce that the audited group profit for the financial year ended 31st December, 1978 is as follows:—

1	12 Months ended 31.12.78	12 Months ended 31.12.77
Turnover	R'000 137 251	R'000 126 046
Operating surplus	13 635 516	9 428 372
Less: Depreciation Interest on borrowed money	14 151 4 087 3 952	9 800 4 160 4 516
Profit before taxation	6 112 2 510	1 124 41
Group profit	3 602	1 083
Earnings per ordinary share Dividend per ordinary share	12.04c 5,50c	3.59c 2.50c
The audited correlidated profit	hefore taxa	tion for the

-R2 519 000 for the year.

The turnover in the castings division was lower than the previous year and coosequently a loss was recorded -- Improved turnover for Veldmaster during the year, contributed to a small reduction in the loss which is still substantial.

Notice is hereby given that o final dividend of 14 cents per R2.00 share has been declared on the cumulative participating preferent "A" and "B" shares for the twelve months ended 31st December, 1978.

Dividends are payable to sbarebolders registered in the books of the Corporation at the close of husiness on the 16th

The traosfer books and registers of members will be closed from 17th March to 30th March, 1979, both days inclusive, and warrants wilt be posted from Johanneaburg and London on or about 19th April, 1979. Registered shareholders paid from London will receive the United Kingdom currency equivalent on 10th April, 1979 of the rand value of their disidends.

Any change of address or dividend Instructions must be received by the Transfer Secretaries on or before 16th March,

By order of the Board P. E. BRINK Sccretary

Charter Consolidated Limited. P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 SEQ.

own devolution'

BY RHYS DAVID, NORTHERN CORRESPONDENT

TWO-FIFTHS of the population as not to influence the answers. of the North of England want devolved regional government if Scotland or Wales get assemfor the North, the devolution

March 2 1979

 $y_{n} = i n_{\theta} - \frac{1}{12 \pi \log n}$

CONT. HE W.

2 Merce.

pressure group, suggests. widely debated and It says that a clear majority new to most people. of 62 per cent are also in favour of some change if Scottish or Welsh devolution goes ahead.

Commission chair tween men and women and across age groups, were asked

Stan across age groups, were assessed in a poll last weekend: "What do you think should bappen here if the Scots and Welsh choose to have their own elected assemblies? "

The replies, according to the campaign, were: no change, 38 per cent; an assembly for the whole of England, 21 per cent; a regional assembly, 40 per cent. The eampaign, which has Lord Crowther-Hunt, a former consti-

tutional adviser to the Govern-ment, as its president, does not say that the poll is scientifically accurate, but that a check on respondents' occupations and stated voting habits showed that that only a decentralised UK, in the sample had been a reason which each region has the the sample had been a reason- which each region has the abla cross-section of the popula- power to tackle its nwn probtion and that the response was

Mr. Paul Temperton, the campaign's director, said yesterday that it was significant that blies, an opininn poll carried the regional assembly concept ont on behalf of the Campaign attracted 40 per cent support even when the idea had not been widely debated and was thus

> "We believe that when the implications of devolution for Scotland and Wales (which of course we also support) are more fully understood in the North, where we have just the same problems and just the same frustrations and resentments about London rule, the demand for regional govern-

> ment will grow even higher." Mr. Temperton said that the 62 per cent majority in favour of some change contradicted the assertion often made by West-minster -politicians and the London-based media that there is no discernible support for changing our constitutional arrangements except in Scotland and Wales.

"One day they will be forced to come to terms with the fact lems in its own way, will ever therefore a fair indication of break the Logiam of self-doubt Northern views. and self-delusion which domi-Northern views. and self-delusion which domi-The campaign's involvement nates life in these islands to-in the poll was not disclosed so day."

North wants its | Small trader wins VAT appeal case

VAT paperwork.

small coin and medal business,

put in VAT returns for 1973-76.

the books, found a number of

made for reduced tax.

the Customs right.

A Customs officer inspected

Mr. Corbitt was very upset

when he received an assessment

that the tribunal was wrong and

The question was whether

for owners of small businesses was reached in the Appeal Court yesterday, when by a two-to-one majority the court ruled that there could be an appeal to a VAT tribunal against a decision Lord-Denning, Master of the Rolls, said that trouble arose of the Customs and Excise that trader bad not kept adequate records for a special scheme of VAT assessment.

A two-year legal battle by Mr. Joseph Corbitt, a Newcastle-on-Tyne coin-dealer, may not yet be over. The Customs and Excise was given leave to appeal to the House of Lords.

A legal spokesman for Mr. Corbitt, whose case was backed by the National Federation of Self-Employed, said: "This is a tremendous victory, which in varying degrees affects selfemployed businessmen dealing in articles ranging from antiques coin and medals to cars, boats and caravans.
"If Customs were to have

complete discretion in matters of VAT paperwork, the right of appeal would be completely llusory. Mr. Corbitt raims be bas paid all VAT necessary." The court allowed an appeal by Mr. Corbitt's one-man husi-ness J. H. Corbitt (Numismanists) against a decision by Mr. Justice Neill in favour of the Customs, which sought an

The judge held there could were properly kept. be no appeal to a VAT tribunal

In Lord Denning's view it was from a Customs decision on the very function of Customs commissioners under the Finance Act to look into documents to whether they were when Mr. Corbitt, had quite a sufficient to enable VAT claims to be verified.

But appeal tribunals bad the same right and duty. They were entitled to look at everything mistakes, and considered that some ineligible claims had been Sir Stanley Rees agreed that the appeal should be allowed. Lord Justice Evcleigh, dissenting, said that although VAT for VAT and appealed to a VAT tribunal, which decided in his tribunals had the right to inspect records they could not substitute their views for that

on paperwork. The appeal was allowed with VAT tribunals were restricted costs. The Crown undertook to in their jurisdiction, in the pay Mr. Corbitt's costs of any sense that they could not decide appeal to the House of Lords.

of the Customs commissoners

British Road Services expands

WHAT I NEED IS AN EXCITING

INCENTIVE TO GET THIS NEW

THE STATE-OWNED British total market, based on 12,000 form the base of an attack on the truck trailer rental market in Britain, which is expected to double in size by 1984. Trailers form one of the

PRODUCT OFF THE

GROUND!

Services has invested trailers is worth £30m a year.
in new could white, group
he base of an attack on managing director of British Road Services, said at the launch of the trailer rental service in London yesterday the targel was to expand the extra £2,646, claiming that the fastest growing sectors of the initial fleet of 100 trailers to company had not kept proper road haulage industry. The 2,000 in five years.

Damage by fire rises

BY ERIC SHORT

FIRE DAMAGE costs rose sharply in January, according to figures issued yesterday by the British Insurance Association.

The estimated cost of damage for the month went up by £9m to £30.3m. Although this was over £10m lower than in January last year, the figure was inflated by the last days of the firemen's strike.

Under normal conditions, £30m is a high level of damage —a figure which until the autumn of last year had been exceeded only during the strike and in the month of the Flixborougb disaster.

Five blazes in which damage was put at film bappened in

The fire at Villiers House in the Strand, Central London cost £4.4m and another at Abel Morralls main aero knitting pin factors at Redditch, Worcester, cost £2.7m.

There were 15 fires with damage costing at least £250,000 in each case and another 68 fires where damage exceeded £35,000, including 35 at places used by the public such as cinemas, schools, shops, social clubs and theatres.

in 'worst winter' Many regional bus companies lost £4m because of the "worst found their resources stretched

BY LYNTON McLAIN

THE National Bus Company winter for disruption to services so far that many could not in our 10-year history." Mr. Robert Brook, deputy chairman and chief executive, said yester- Potteries Motor Traction com-

in the first two months of the of usuable buses. Services in

Bad weather and problems flooding are now operated with fuel supplies hit services, partly by buses from the South. particularly in the North. Frost The National Bus Company and accidents bad damaged buses, which would affect services for some time, be said.

operate fully without help from pany in Staffordsbire had been Bus operating companies in transferred temporarily to the England and Wales lost sub-stantial numbers of passengers mingham, to alleviate a sbortage York, which suffered badly from

made a net profit of £9.6m in 1977 on a gross revenue of £390m.

MP backs company secretaries

Buses lose £4m

THE INSTITUTE of Chartered form of a new clause which is Secretaries and Administrators is hoping to persuade the Government to introduce legislation providing a framework of South. minimum professional requirements for company secretaries.

Businesses would be able to appoint only company secretaries who were members of an appropriate professional body or ho qualified by baving had suitable experience.

The institute has proposed that this legislation be included in the Companies Bill in the

being sponsored by Mr. Peter Broke, Conservative MP for City of London and Westminster

Mr. Barry Barker, secretary of the institute, said: "It is appropriate that this measure be included in the Bill. Doctors. dentists, lawyers and account ants are all required to possess an appropriate qualification and be menibers of bodies empowered to maintain professional standards. Such protection should be afforded to those

CONTRACTS

Worley Engineering wins £4m North Sea work

North Sea, Worley Engineering is part of the William Press

Two orders worth in excess of £2m have been won by MATHER. night pressure water injection pumps for use on Stattjord DOWI

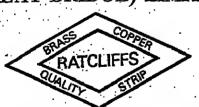
RPO I and B platforms in the Norwegian sector receive worth bave been placed by Mobil Exploration Norway Inc. on behalf of the Norwegian/UK Stattjord craft.

Source Group.

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	February 28, 1979	Decrease (-)
BANKING	DEPARTMEN	TT /
Liabilities Capital Public Deposits	14.553,000 28.287,029 254,930,000 452,330,141 606,630,225	- \$ 5,609,716 + 28,304,292 - 37,717,446 - 5,903,433
ASSETS Government Securities	696,857,379 442,097,082 172,731,195 24,737,694 207,845	- 254,213,708 + 250,297,750 + 197,020 + 17,025,307 - 9,727
ISSUE DI	1,886,681,195 EPARTMENT	.— 5,905,438
LIABILITIES	E	£
In Circulation	2,926,000,000 8,900,262,306 24,737,694	+ 75,000,000 + 67,538,693 + 17,825,307
ASSETS Government Debt	11.015,100 7,542,218,576 1,371,766,324	+ 1,021,446 + 78,972,654
	3,925,000,000	+ 76,000,000

RATCLIFFS (GREAT BRIDGE) LIMITED



PRELIMINARY ANNOUNCEMENT RESULTS FOR YEAR TO 31st DECEMBER, 1978.

•	· · · 1978	1977 £
Group Sales	38,425,700	40,545,800
Croup Earnings before Tax Taxation Thereon Nett after Taxation.	1,791,200 822,400 968,800	1,643,400 774,500 868,900
Dividends on		
Ordinary Shares—	0.750p	0.650p
First interim—paid Second interim—proposed	1.3683p	1,247p
Third interim (1977)	:	0.0189p
Total for the year	2.1183p	1.91S9p
Earnings per share	19.79p	17.65p
Total Dividend distribution exclusive of A.C.T.	£142,900	£132,400

1978 Another record year for Great Bridge and nur Canadian subsidiary Canadian earnings increased by 27% in dollar terms reduced to approxiprevailing.

Second interim proposed represents the maximum allowable under present Government regulations. With U.K. strikes and related problems, continued supply disruption in

Canada and runaway copper prices, the year has made an inauspicious start and earnings will almost certainly fall short of the records achieved Detailed statements will be mailed to shareholders on 30th March, 1979. Annual General Meeting will be held at 3.00 p.m. on Tuesday 24th April, at Birmingham Chamber of Industry and Commerce.

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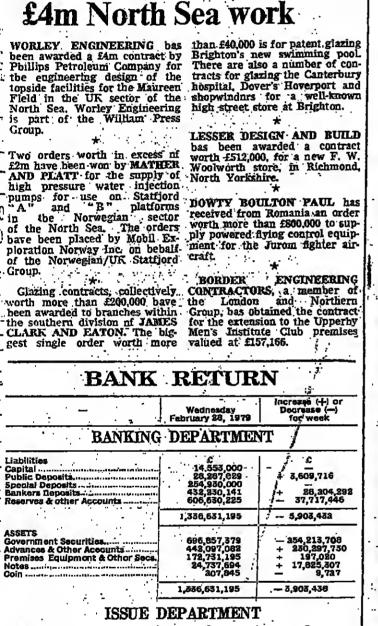
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Ambulancemen should Pay pledge accept 9%-TGWU

proposed public services peace formula and recommend them to

Although the TGWU is a minority union in the ambulance to reduce the impact of today's 24-hour total strike by ambu-lancemen which has been demanded by unofficial shop

National union officials have instructed ambulancemen to continue covering emergencies decision, the TGWU sent telex messages to its regions reinforc-ing this. Crews in many areas have voted to ignore tha unofficial strike call but police and troops will be on standby

Mr. Mick Martin, TGWU national secretary, said after yesterday's conference that ambulance service delegates had tance of the offer—9 per cent plus a -comparability study which should yield more money in August—because they accepted that there was nothing else available outside the com-

parability exercise at present. He said the Government could help end industrial action by giving an assurance that it would recognise the ambulance service as an emergency serrice. The ambulancemen will be arguing in the comparability

TRANSPORT and General Workers Union delegates yesterday decided to conduct an individual services—the fire brigade and authority, hospital ancillary and baloit of ambulancemen on the police—but there is no cer-

action would be stepped up next week. Nationally, however, there is not yet an accurate guide to how the NUPE mambers are voting.

Government could not say when ments to preve considers to be Ministers have emphasised overtime rate.

tainty that this will be accepted.

don region of the General and Municipal Workers' Union agreed yesterday to accept the offer. Elsewhere in the public services dispute, delegates representing 25,000 GMWU members in the East Midlands also endorsed the peace formula which will probably be accepted by all except the union's London region.

The greatest uncertainty concerns the National Union of Public Employees, whose executive has recommended members to reject the settlement. In the West Midlands, 32,000 NUPE hospital ancillary workers and 1,600 ambulancemen bave re-jected the offer. Mr. Barry Shuttleworth, divisional officer, said yesterday that industrial

Nurses' pay was yesterday's meeting of the Cablnet and there will be a meeting between their leaders and Mr. David Ennals, Social Services Secretary, probably on Monday. Talks on a comparability exercise for nurses failed earlier this week because the

Tube strike threat as union says

The fraud claim was in a

report leaked by Greater Lon-

don Council London Transport

Committee member Mr. Roger

The NUR would challenge the

"Already London Transport

figures at the highest level, Mr.

fare fraud claim is slander

Turnock said.

record put straight, he said. has had to admit they will not Some ticket collectors have stand up to detailed scrutiny," warned of possible industrial he added.

August and the remainder next April—reflect their low-paid status and that other groups moy have to wait longer. The nurses negotiations are further

complicated by the fact that, in addition to their current elaim, they are seeking payments in lieu of productivity from their The Royal College of Nursing. whose members rejected the use of industrial action earlier this week, yesterday launched a campaign which will include week-long vigil outside the Houses of Parliament and a

Builders pay claim entered

protest petition.

BUILDING WORKERS yester-day put in their claim for "subshorter working week and other improvements in pay and con-

The largest building union, the Union of Construction. Allied Trades and Technicians, is pressing for a complete re viesw of the industry's complex wage structure as part of the

The claim also calls for con solidation of existing supplements to prevent what the union considers to be the existing low

The NUR has not obstructed a receipt-issuing trial by ticket barrier staff. LT has never

raised the Issue, he said. The

union would support any prac tical proposals.

Talks with local staff repre-

sentatives had brought up unreasonable claims for extra pay-

sought by civil servants

leaders meet Lord Pearl, the Lord Privy Seal, today to press the Government for firm proposals on a pay settlement for 600,000 of their white-cullar workers, based on the findings of an independent comparability study.

If any proposals are judged by the unions to be unuits factory, the campaign of selec-tive strike action by members of the two largest anions in the service is likely to be stepped up and some other unions may be pressed to join the campaign.

The general secretaries of all nine civil service the and representatives of the Whitley Council, the unions umbrella body, will make it clear to Lord Peart, Mr. Charles Morris, Civil Service Minister, and senior negotia-tors, that definite preposals will be necessary to avert further action.

Civil Service Department who have given assurances that a negotiated settlement based on the reports of the Pay Research that arbitration will be available for any disagreements on PRU rates, will be pressed to meet union claims that any staging should be completed within 12 months.

Some unions estimate that the PRU reports show rises due for middle-ranking grades of 26-36 per cent. An offer as the first payment of a staged settlement based on those rates of less than the 9 per cent plus put to public ably be unsatisfactory.

Department officials say their avaluations of the PRU reports will be complete with-In a few days.

Pressure is building in the membership of the Civil Service Union, which repre-sents grades who work closely. with the members of the two unions holding selective strikes, to join the Civil and Public Services' Association and the Society of Civil and Public Servants in their

The CSU decided before the strike by the two largest unions not to join them by a 14-7 vote of its executive. An unsatisfactory response from today's meeting coupled with membership and advice to take strike action from most of the seniro officials would be lickly to force a re-think.

Closed shop 'injustice'

pocket £2.5m a year in excess fares is unwarranted slander,

Mr. Charlie Turnock, National

Union of Railwaymen assistant

secretary responsible for LT

strongest action to get the

action unless the claim is with-

The mion will take

record put straight, he said.

said yesterday.

condemned

BRITAIN'S managers are seeking changes in the law that would prevent closed shop agreements which force existing employees to join a union under the threat of dismissal

The 60,000-strong British Institute of Management said yesterday that a survey of its 80 branches had shown very strong feelings about "the injustice of such agreements.

Managers on the whole did not want all closed shop agreements outlawed, and most did not object to those which obliged all new employees to join a specified union. There was dislike for the pre-entry closed

Some members suggested contributions to charity as an obligation on those existing employees who chose not to join, in order to counter the charge of "free riders."

Most managers felt it was wrong that all dismissals re-sulting from closed shop agreenents were "fair" in law.

Apart from this, the Institute said, managers did not wish to press for any changes to the sub stance of the unfair dismissals

There was, however, strong support for the introduction of preliminary screening pro cedure for industrial tribunals.

And it was also felt that a deposit, possibly nominal, by the applicant lodging an unfair dismissal claim at a tribunal, would also belp reduce the number of "bopeless" cases.

A "sizeable percentage" felt that the advisory, conciliation and arbitration service should not be charged with the duty of encouraging the extension of collective bargaining."

Schools closure: parents appeal

By Michael Dixon, Education Correspondent

PARENTS seeking to make Haringey, London, education authority to keep open its schools in spite of the National Union of Public Employees strike are taking their case to the Court of Appendix the Court of Appeal

On Monday, the parents lost their High Court action against the borough, which bed kept schools closed for five weeks because of the dispute.

The local strike committee, lowever, has since decided to allow each school to open for our days a week.

parents' appeal is spected to be heard on Monday Tuesday.

Allied bakery closures will make 200 redundant

The .NUR has not dpposed ment for additional duties."

BY OUR CONSUMER AFFAIRS CORRESPONDENT

next month following Allied Bakeries' decision yesterday to close down two small bakeries at Swanses and Cambridge. The two bakeries were among those taken over by Allied from Spillers when it pulled out

of the bread industry a year ago. Allied agreed then to keep the bakeries open for at least 12 months but a fall in demand in hoth South Wales and East Anglia bas made the bakeries uneconomic, Allied said. . .

The company, part of Associated British Foods, blamed the "long and damaging strike of late last year" for the plant closures. -Since the strika both

bakeries bave operated at a considerable loss, and the cost the last wage increase. coupled with the stringent controls exercised over the price of bread, offer no opportunity for a sustained turnaround," company claimed.

MORE THAN 200 bakery Talks are being held between workers will be/made redundan

the Bakers, Food and Allied Workers' Union and the company about the closures but the union appears to accept that there is little it can do.

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Notice is hereby given pursuant to Section 8 of the Fiscal Agency Agreement dated February 15, 1978 among Citicorp Overseas Finance Corporation N.V., among Citicorp Overseas Finance Corporation N.V., Citicorp, and Citibank, N.A. as Fiscal Agent and Paying Agent, that the Company has porchased and aurrendered to the Fiscal Agent A\$965,000 aggregate principal amount of subject notes during the period commencing May 15, 1978 and ending February 14, 1979. The principal amount outstanding at the end of such period is A\$14,035,000.

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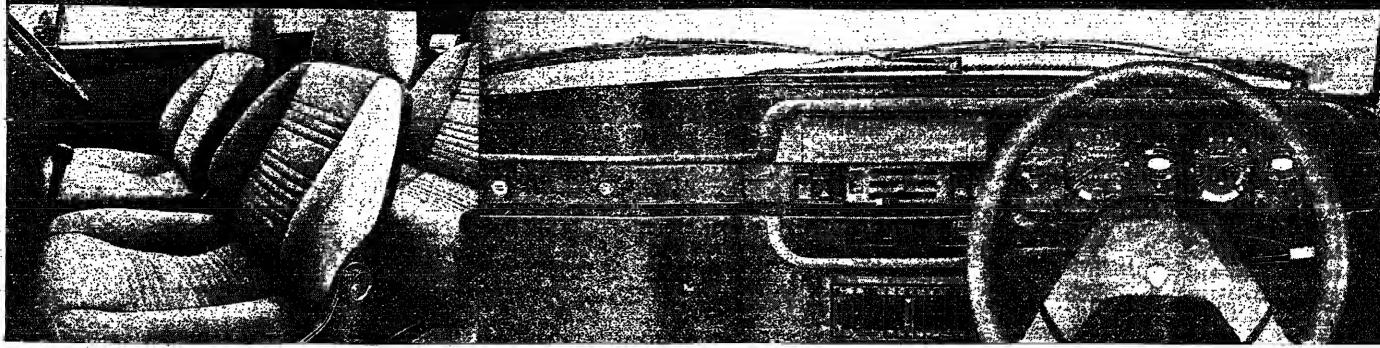
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2nd March 1979





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Bassett, Labour &

March 2 1979

SERVICE meet Lord pear Privy Seal, lot he Government! ay proposals are late unions to be but the earnpaign of a rike action by ment two largest union ervice is likely to dispare to any be pressed to many be pressed to many be pressed to many the content of the paid of the pai

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Finance ٧. Guaranteed

European Ferries in £124m project

EUROPEAN FERRIES is about ing \$1m working capital for the are pre-sold to an institution involved in property for some to embark on a \$250m (£124m) joint venture company to be and construction finance can years. After the property commercial property development then be raised. This is the market collapse in 1973 it virtue. ment in Denver, Colorado.

The project, which will take Technological Center).
between five and 10 years to About 1m sq ft of complete, will provide 5m have already been huilt on the sq ft of offices, shops and site by the previous owner who bousing on a 300-acre site just ran out of finance for the main part of the development and Enropean Ferries is under-

company. Profits from sales of land will be split 50-50 and

part of the development and agreed to sell to Vace through taking the project as a joint sent to vace through is one of the main growth areas, venture with Vace Securities, a vace invited in European and popular with institutional family-owned Colorado property company. Profits from sales of to provide cross guarantees of the U.S. and the U.S. areant Covernment survey.

land will be split 50-50 and the sort needed to persuade the European will get 40 per cent of development profits.

In fact, the UK company will be the senior financial partner. Consin to support the land purchase.

Star needed to acquire the Construction will be phased for purchase.

A recent Government survey revealed that Denver's population is expected to grow from 1.4m to 4m over the next 20 years.

Although this is European Ferries' first property venture.

(the site is a content of the main of European Ferries, is confident that institutional "take-outs" in this fashion will be difficult to arrange. Denver, like Dallas and Houston,

A recent Government survey revealed that Denver's popula-

\$33m needed to acquire the Construction will be phased Ferries' first property venture 300-acre site. It is also providin tranches as and when units in the U.S. the group has been

(the site is known as the Denver traditional method of raising ally disbanded its property division but since 1976 that has been revived.

Its biggest proposal in the UK is for a £15m to £20m office development of 300,000 square feet on a site near Vauxhall Bridge acquired from Land Securities for £400,000. An Office Development Permit exists for the scheme, but there has been a long planning squable with Lambeth Council. The proposals are to go before a public inquiry in May.

Dutch market

6 The Duich property market is getting a good Press at the moment, and a number of UK institutioos are being tempted back to buy again.

for which the trust paid £750,000 on the advice of Healey and

Last month it bought a shop in Amersfoort, a town near Amsterdam, for £400.000.

letting market, where it bas just concluded four deals involving ing £2.6m in rent, equivalent to 8,000 sq metres.

At that point EMI starts paging £2.6m in rent, equivalent to over £14 a sq ft. All this

Trizec the prize in EPC fight

OLYMPIA AND YORK and Wereldhave, the two companies battling it ont for English Property Corporation, have been quite open about the fact that the contest is fundamentally for EPC's holding in Trizec. Canada's second largest quoted property com-

Coincidentally, as the bid price jumped from 54p last Friday, to 56p and then 66p on Monday, Trizec was putting the finishing tonches to its report and accounts for the year to October. The figures show total

assets of C\$956m (£396m) and a eash flow from operations of C\$27.2m (fil.3m) compared with C\$931m and C\$19m the previous year. Long-term debt amounted to C\$655m, unchanged from 1977.

Announcing a dividend of 55c for the year, Mr. Harold Milaysky, president of the company, said that he expected results for this year to "compare favourably" with last, in spite of slow business

growth in North America, and high interest rates. He attributed last year's

growth to newly-completed properties coming en stream, and better returns from existing properties. As a result, earnings per share increased by nearly 20 per cent, to 61c.

Trizee says it looks more and more in the U.S. for its growth. A quarter of its income-producing properties are in the U.S., and further development is under way there.
Among other recent deals,

Trizec has announced that it is going into partnership with General Motors to build a 21-storey office tower, residential and retail complex in Detroit, in which GM will be the main One reason behind the emphasis on the U.S. is what Mr. Milavsky describes as the trend to regionalism and the possibility of "divisive

possibility of "divections" canada. Last year the company moved the bulk of its manage-

ment eut of mainly Frenchment cut of mainly French-speaking Monireal to Toronto and Calgary, but its flagship is still the Jm sq ft office and shopping complex in Place Ville Marie, Monireal. Trizec grew from that development in the late 1950s. It was the ambitious brain-child of the New York archi-ter William Zeckendorf and

tect William Zeckendorf and involved spanning the gully in the centre of Montreal where the National Railway trains had entered Central Station for generations.

Place Villa Marie cost C3100m and took 10 years to build. With rents, in the early days, of nuly C\$5 a sq ft, the complex was in deficit for its first five years, and was completed only through injection of C\$35m by Eagle Star Inof C\$35m by Eagle Star In-surance in return for equity. Now Trizec owns 16.7m sq ft of offices, 5.3m sq ft of ships, and a string of "retire-ment-lodges," carevan parks, hetels and a part ments throughout Canada; and in Detroit, Los Angeles and

so it of industrial and ware-house building. Jones Lang Wootton bas been appointed letting agent. The range of investment yields for industrials is high-lighted by two recent forward es by Allied Breweries Pension Funds, advised hy Debenham Tewson Chinnocks.

Glamorgan

land for

Arlington

ARLINGTON SECURITIES.

private consortium which is building a £25m 130-acre indus-

trial development on the Frinds-

bury peninsula on the Medway, has surfaced again with a

strategic land purchase in

for 12½ acres next to the hig Ford engine plant and the 60,000 sq ft Michelin tyre fac-tory. The aite, adjoining the Waterton Industrial Estate, has planning permission for 242,000

Tha group has paid £420,000

The first is a warebouse development on the Chandler's Ford industrial estate, Eastleigh, Hants. Allied has agreed to pay £1.im for the 51,000 sq ft pre-let to Courage on a rent providing an initial yield of 61 per cent.

The second is in Swindon. There, Allied is paying £600,000 for a partly-let group of seven industrial units on the Hawksworth Estate.

When fully let, the 45,000 sq ft will produce an income of £55,000, giving a yield of 9 per cent or so, in spite of the fact that demand in the area is brisk enough to suggest that voids are

BL seeks £12m for AEC site

BL HAS wasted no time in list to three or so and make even the year end. Major site

The company announced noly

Already Edwards Bigwood and Bewlay are in touch with four or five big funds who are unperturbed by the £12m-plus price tag for a site on which most of the 1m sq ft of build-ings will have to be demolished. igs will have to be demolished. Rentals are difficult to esti-Mr. Michael Riley, a partner mate in advance—Leyland will

The site's main plant was huilt in the mid-1930s, but some close the plant hecause high buildings date hack to 1926, fixed overheads meant it could never be viable.

buildings date hack to 1926, Only three mid-1960s units frontier Unbridge Road have any scope for refurbishment. The potential lies in a phased

development which could provide Im sq ft or so of mixed industrial units, with ample parking.

in the firm, expects to cut the not vacate before September or sq ft.

putting its 59-acre AEC plant a decision on the sale by the works would follow before con-at Soutball on the market. end of the month. But there is reasonable access the M4/M40 although the Uxbridge Road is oot the best

> Closest comparable develop-ment site is the 250,000 sq It warehousing scheme by Bernard Sunley at Staples Corner, on a premier location at the base of the M1. Agents Bernard Thorpe and Partners and Shepherds. who bave yet to hegin formal marketing, will it is thought.

look for rents of about £3 per

Jones Lang Wootton is hul-

lish ahout the Dutch industrial

Prudential's bargain buy from EMI

This week, Pension Fund PRUDENTIAL ASSURANCE means that Prudential gets an the possibility of selling a comcern unit trust bought its seems to bave achieved a bar-second Dutch property in two gain io buying the leasebold of months. This is a shop leased to Dorothy Perkins in The Hague, in Tottenham Court Road.

The deal iovolves both a sale and leasehack, and a forward funding element. Prudeotial is paying £33m for the scheme, handing out the money in tranches over the next 18

From EMI's point of view the outlook is not so glamourous. The development must be costing well over £33m. The site cost £5.8m in 1971. In 1976. tranches over the next 18 development costs were esti-months after which building mated at £25m, and must have will be finished. risen by more than £2m since then. And there is the cost of

finance. Furthermore, it bas forfeited the freebold.

EMI admits that the deal looks good for Prudential, but claims to be satisfied with the

In some way Prudential must have had the upper hand in those negotiations. The details will never be known, but one constraint for EMI was the fact that Prudential already owned

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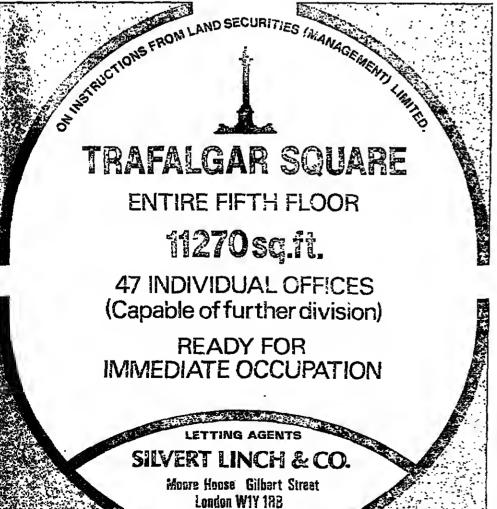


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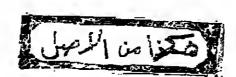
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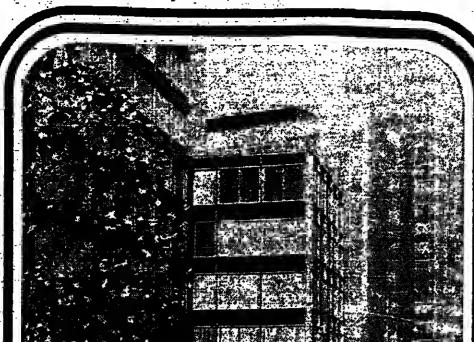
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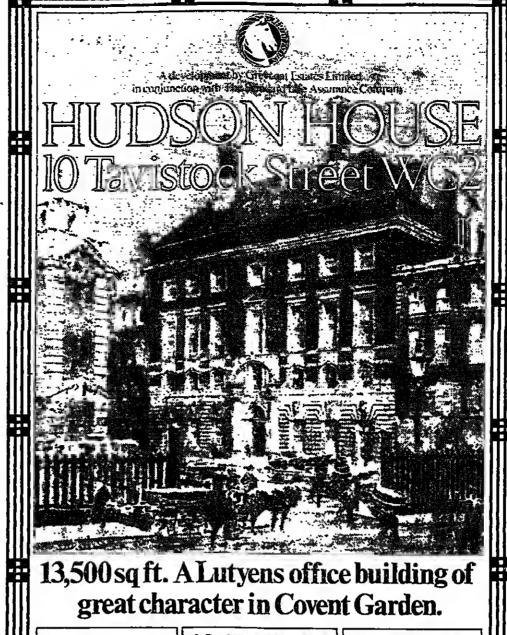
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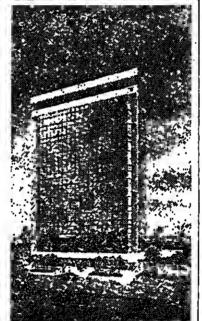
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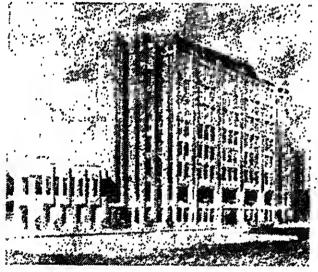
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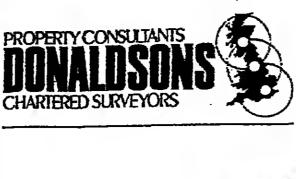
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ENERGY REVIEW: THE NORTH SEA

Lasmo discovers the insatiable appetite of Ninian

London and Scottish Marine Oil is loading its first cargo of Ninian crude this week,

and not before time. That Lasmo has come so far. ia a tribute to the determination of its management and advisers. Until last Christmas, when Lasmo was forced to renegotiate its bank borrowings, lt was touch and go whether it would he able to retain the full henefit of its exploration success.

Lasmo was set up by City institutions to invest in the North Sea and its involvement in the Ninian oll field is a fascinating case study of the sort of problems facing small companies in the North Sea. fts only stroke of luck was that it happened to helong to a coo-sortinm that discovered oil. Apart from that it has been an

In quick succession Lasmo ran into a series of major problems. Capital costs started escalating rapidly as did interest rates. To meet its financial ohligations Laamo hegan to hunt around for money just when hankers were getting cold feet about North Sea financing because of the uncertainties over tax and the extent of government participation in the North Equally disturbing was the fact that sbortly after Lasmo did its cash flow estimates. which formed the hasis of its financing plans, sterling started to appreciate against the dollar. Compared with Lasmo's estimate in 1977 of a sterling rate of \$1.70 the rate is now over \$2 which means that in spite of the recent rise in the price of oil Lasmo is still getting no

more per barrel in sterling terms than it hargained for. Finally, just before production started late last year. Lasmo's management had to accept the new Ninlan unit agreement. This contained the first redetermination of each partner's interest based on the estimated size of the reserves under each block. Until the next redetermination in 1980 Lasmo's interest is reduced from per cent to just under 8 per cent. This means that for the next 18 months Lasmo's share of production is a seventh less but it also shoulders a lower proportion of capital and operat-

Because production is proving to be better than expected (it is

AFTER AN expensive nine b/d) the redetermination has month delay and a massive in- not disturbed Lasmo's cash flow crease in budgeted capital costs, estimates. On present form Lasmo should produce im tons in 1979 rising to 1m tons in 1980 and a possible peak of lim tons in 1982 (1 ton is equivalent to 7.4 harrels). In the short term the only real disadvantage of the new unit agreement was that Lasmo had to pay an extra £6m towards the cost of the three platforms.

For investors who subscribed for shares in Lasmo at 155p at the time of the stock exchange listing in the summer of 1977 they cannot expect a dividend 1979 hefore 1981 at the earliest -Lasmo's chequered career is reflected in a share price of around 160p. Most stock market analysts think it is over valued on anything other than takeover hopes. Wood Mackenzie, for example, reckon that the group's underlying net asset value is of the order of 130p even after allowing for the rise in oit

So the question investors in future operations of this type would like answered, is whether Lasmo, or any similar vehicle, could have financed itself more advantageous terms. Or was it a victim of circumstances heyond its control?

A brainchild

Lasmo is the brainchild of two men-Jack Pierce, a Canadian, and Michael Belmont, a partner in Cazenove and Company, the eminent city stock brokers. They first met during 1964 when Pierce, who heads up Ranger Oil, a successful Canadian exploration company, decided to expand in the North Sea. Ranger already had a sizeable number of UK shareholders but it had been unsuccessful in applying for licences. Ranger and Cazenove belleved

its chances would be improved if a UK partner could he found. Meanwhile, Cazenove discovered that a number of institutions that had done well out of Ranger, were keen to invest in decided to meld Ranger's dently. successful exploration track record with institutional money.

LEADING UK INDEPENDENTS Mkt. Capitalisation Burmah Oil 131 108 78

> LASMO'S OUTPUT Gross revenues 32

> > 64

80 * Assuming price of \$16 per barrel.

of 1975 its backers had put up

A year later Cazenove set up second vehicle, London and Scottish Marine Oil (Lasmo) While some of the Scot share- enced oil hanks rarely do. holders were willing to put up funds for further exploration others were unwilling to invest. Consequently, Lasmo joiced Scot and Ranger in new exploration ventures and by December, 1975. investors had put up £7.4mgiving a total Scot/Lasmo equity crude oil purchasers. However, figure of £12.8m

In January, 1974, Scot and Lasmo shareholders were delighted to discover that they had struck oil in block 3/8-part too of one of the biggest fields in the North Sea. That was when their problems really started.

Given that BP had been able to finance the Fortles field in 1972 in one fell swoop the Ninian partnets started to consider raising the £1,000m needed on a collective basis. But because of the varying credit worthiness (the Bank of England had to rescue Burmah Oil, one of the original memhers and hecame obvious that the be .companies such as fCI would a North Sea exploration com- have to pay higher rates than if pany. So Pierce and Cazenove they had proceeded indepen- and Glyn's Bank, This was

ing was building up on Ninian unsecured loan stock which was In 1970 Scottish Canadian Oil and each participant had to meet and Transportation (Scot) was the Increasingly frequent cash Scot sharebolders. This was celt established, backed mainly by calls as they fell due, for late to he sufficient to cover their British insurance companies and 1974 Lasmo, Scot, Ranger, funding requirements during investment trusts. In associational Carbonis-1975 and was scheduled to he tlon with Ranger Oil (UK) it lng approached a major North repaid by December, 1975, by currently running at over 70,000 was granted three licences to American Bank for a \$320m which time longer term banking underestimated the financial



explore for oil and by the end syndicated credit to cover their joint costs. This was nearly two years hefore the first production platform was to be towed out and would have involved the hank accepting the construction with the same purpose in mind. risk-something even experi-

On their own Scot and Lasmo could not guarantee to meet their share of the costs, so the companies went off in search of a guaractor for the proposed horrowing, which involved protracted discussion with potential guaraotee was forthcoming without an equity participation in the field. At this stage both Lasono and Scot thought this was

too expensive. However, Ranger Oil did eventually follow this course raising a \$120m seven-year credit guaranteed by Chevron the operator. in return for an expensive 8 per cent gross royalty over the life of this field. While the boards of Lasmo and Scot were still optimistic

that they would be able to put

together a financial package at some stage, hy early 1975 they had almost run out of money. field operator in 1974) it quickly To cover themselves they raised a short term unsecured loan from James Finlay Corporation (a shareholder) and Williams dently. replaced after only four months Meanwhile development spend- by a £12m floating rate placed mostly with Lasmo and

Altogether Lasmo and Scot

(which were soon to merge) helieved that they now needed around £100m to finish the proborrowing and with the backing

finance from the banks.

In order to make the loan stock issue a success Lasmo had to concede a fairly high interest rate on the loan stock-roughly at the time-and the additional incentive of a royalty based on the proceeds of the sale of oil. The oil production stocks (OPS) as they were known entitled holders to 8.75 per cent the value of Lasmo's share of the production. Only investors in the loan stock were allotted the 10p OPS and the issue proved a great success. The OPS are now trading at 65p and holders will receive their first payment in October.

Happier

With this tranche of financing behind it Lasmo was in a much happier financial position and following the merger of Lasmo and Scot in early 1977. the company was thought to he ready for a stock market listing. fn June, 1977, Morgan Grenfell offered for sale 8.5m ordinary shares in Lasmo to raise £9.5m for further exploration and at the same time existing share-holders (who had more than quadrupled their original investment) sold 1.9m shares.

The month prior to coming to the market Lasmo arranged what It thought would be its final tranche of hank finance for Ninlan—£30m via a syndicate led by Williams and Glyn's. fn return Lasmo had to agree to limit itself to spending no more than £3m per annum on exploration and not pay a dividend until 60 per cent of the loan was repaid. But once again they

arrangements should bave been appetite of Ninian and had to find more money. In November of last year they raised another tranche of fuods-this time mainly from Midland Bank.

BY WILLIAM HALL

The position now is that ject. In the abaence of hank lostead of the original £30m of bank borrowings. Lasmo has of Morgan Grenfell and had to arrange total facilities Cazenove and Co. they decided of £81.3m and reschedule the to raise £75m of 14 per cent final repayment date on the unsecured loan stock 1981-83 in original Williams and Glyn's January, 1976, which would tide loan by another year. In addithem over until the end of 1977. tion, it has got a guarantee from By then the first production BP to cover any additional platform was expected to he in funds it needs up to a maximum place and Morgan Grenfell, the of £19.2m. In return it has had hanking advisers, reckoned that to agree to make early repay-with this security they would he ments of horrowings if it has able to raise the balance of the any fuods surplus to its immedi-

ate needs. So what lessons can be learned from Lasmo's experience? Many companies would never have got as far as it has double comparable dollar rates given the hideous financial problems and the hostile political circumstances it faced. However, there are few tips prospective entrants to the North Sea can learn from

Lasmo's career to date.
With the henefit of hindsight it is clear that the company initially relied far too heavily on short term finance. As costs escalated rapidly they were forced to arrange a series of ad hoc financing arrangements.
Some of these were undoubtedly iogenious but

proved very expensive, Although the idea of arranging medium term hank finance with royalty sweetener was first dismissed as too expensive Lasmo eventually had to concede a comparatively high royalty to the loan atock holders. Worse still they borrowed sterling (the hope was that it would depreciate) so whereas Lasmo's royalty was roughly similar to Ranger's, the latter at least had the henefit of a much lower interest charge on its dollar borrowings. At the end of the day Lasmo might have been hetter off had lt relied on more conventional forms of North Sea finance.

For equity investors in future "Lasmos" the conclusion must be that they have to be prepared for a long ride and not expect quick profits. Of course Lasmo could have taken its profit just as soon as it discovered oil, and moved on, Bnt Lasmo wants to become a fully fledged exploration company and it has proved that it cannot be done in less than seven years.

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NOTICE OF DIVIDENO

LEGAL NOTICES

In the HIGH COURT OF JUSTICE hencory Division Companies Court In

Chencory Division Companies Court. In the Matters of No. 00523 of 1979
PRAIRENE CO. LIMITED No. 00524 of 1979
VERCRAL CO. LIMITED and in the Matter of THE COMPANIES ACT. 1948.
NOTICE IS HEREBY GIVEN, that Partitions for the Winding-up of the ACT, 1948.
NOTICE IS HEREBY GIVEN, that
Potitions for the Winding-up of the
shove-nemed Companies by the High
Court of Justice were on the 14th day
of February 1979 presented to the said
Court by THE COUNCIL OF THE CITY
OF SALFORO of Civic Centre, Chorley
Rood, Swinton, Manchester, M27 2AO,
and that the oaid Peritione are directed
to be heard before the Court sitting at
the Royal Courts of Justice, Strand,
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March 1978, and eny creditor or contributory of either of the said Compenies desirrors to support or oppose
the making of an Order on either of the
said Petitions moy appear at the time
of hearing, in person or by his counsel,
for that purpose: and a topy of the
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NOTE—Any person who intends to appear on the hearing of other of the orid Petitions must serve en, or send by poet to, the above-named notice in writing of his Intention so to do. The motion must state the name and address of the firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by poet in outfaciont time to reach the above-named not later than lour o'clock in the ofternoon of the 16th day of March 1878.

No. 00613 of 1979

In the HIGH COURT OF JUSTICE Chencery Oivalon Compenies Court. In the Master of NOVAY TRADING COMPANY JUMITED end in the Mener of THE COMPANIES ACT. 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court oi Justice was on the 21st day of Fabreary 1978, cresented to the asid Court by PHILBEACH EVENTS LIMITED whose registered office is situate at Olympie, Kaneington, London, W14 SUX, end that the said Pauton is directed to be heard before the Court eiting at the Royal-Courts of Justice, Strand, London, WCZA 2LL on the 25th day of Merch 1978, and only creditor or contributory of the said Compeny desirous to aupport or oppose the making of an Order on the said Pedden may appear at the time of hearing, in person or by his counsel, for that purpose; and o copy of the Petilian will be furnished by the underaigned to any creditor or contributory of the said Company requiring such copy on payment of the reguleted chorse for the same.

SPEECHLY BIRCHAM, Bouverle House, 154, Fleet Burest, London EC4A 2HX, Tal: 03-83 3290.

Bouverie House, 154, Fiest Breet, Londoo ECAA 2HX.
Tal: 01-363 3290.
Solicators for the Pentioner.
NOTE—Any person who intends to oppar on the hearing of the said post to, the obove-nemed notice in writing of his intention so to do. The notice must state the name and eddress of the firm and must be signed by the person or firm or his or his rediction (if eny) and must be served; or, if posted, must be sent by post in euflicient time to reach the above-nemed not later than lour o'sjeck in the stamoun of the 23rd day of Merch 1978.

IN THE MATTER OF BELL STREET BIKES LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1948.

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, ere required, on or balore the 30th day of March, 1973, to eard in their tail. Chastine and sumamee, their oddresses end descriptione, full particulurs of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned Philip MONJACK, FCA, of 3/4 Bontmck Street, London, WIA 3BA. the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are personally or by their Solicitors, to come in and prove their debts or claims at such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 16th day of February, 1979. PHILIP MONJACK, FCA, Liquidator. THE COMPANIES ACT 1948 TO 1976 ALLCROFT & WOODS LIMITED

NOTICE IS NERREBY GIVEN, oursuant to Section 283 of the Companies Act 1948, there a Mosting of the Creditors of the above-nemed Compony will be held of the offices of LEONARO CURTIS & CO... artusted at 3/4 Bentinck Stroot, London, WIA 384

3/4 Bentinck Street,
London, WTA 3BA
on Wadnesdey, the 7th dey of March
1979, at 12 o'clock midday, for the
purposes mentioned in Sactions 294
end 295 of the said Act.
Osted this 19th day of Fohrusry, 1979.
By Order of the Board,
R. A. RUTTY, Oirecter,

THE COMPANIES ACT 1948 TO 1976 JAYSHORE LIMITED

NOTICE IS HEREBY GIVEN pursuont to Section 293 of the Compenies Act 1948, that a Mosting of the Conditors of the bove named Company will be held at the offices of LEONARD CURTIS & CO...

artuoted at 3/4 Bentinck Street, London, W1A 3BA on Monday, the 12th day of March 1979. at 12 o clock middey, for the purposes mentioned in Sectione 294 and 295 of the said Act. e said Act. Oated this 19th day of February, 1979. By Order of the Board, J. BHORE, Oirsctor. THE COMPANIES ACT 1948 TO 1976

COLORAMA TRANSFER

LEONARO CURTIS & CO.,

NOTICE IB HEREBY GIVEN, pursuent to Section 293 of the Companies Act 1848, that a Macting of the Creditors of the ebove-named Company will behald at the offices of LEONARO CURITS & CO.

LEONARO CURITS & CO, attuoted at 3/4 Bentinck Street.

JA Bentinck Street.
London, WTA 3BA
on Tuoday, the 13th day of March.
1979. at 3 o'clook in the oftennoon. Jer the purposes meetioned in section. 294 and 296 at the said Acr.
Ooted this 20th day of February, 1979.
By Order of the Soald,
F. SCHWARTZ, Ornocios.

THE UNIVERSITY

OF MANCHESTER

THE MANCHESTER

BUSINESS SCHOOL

RESEARCH FELLOW

IN BUSINESS POLICY

Applications are invited from suitably qualified candidates for

the above post, tenable for a two year period from October 1st, 1979. Salary Range £6,080-

G.754 per annum. Further par-ticulars and application forms (returnable by March 23rd, 1979) svailable from the Registrar. The University. Manchester M13 9PL.

cm. £ 16.00

19.00

15.00

6.25

NOTICE IS HEREBY GIVEN, pursuant to Section 293 of the Companies Act 1948, that is Meeting of this Creditors of the above named Company will be held at the offices of

LEONARO CURTIS & CO.
attuated at
3/4 Benunck Street,
London, WIA 3BA
on Friday, the 9th day of March 1979
et 12 o'clock midday, for the gurposes
memblened in Sections 294 and 295 of
the said Act.
Oated this 21st day of Fobruary 1979:
By Order of the Board.
O. BLATT, Oractor.
THE COMPANIES ACT 1948 TO 1976

N. & P. TOYS LIMITED

SE 4 1

Plessey offshoot departs for new magnetic fields

BY TERRY GARRETT

was demoralised, and I intend to stay with it." So says Mr. "Mick" Stoke, chief executive of Preformations Group £300,000 of new funds from the National Coal Board.

But if Mr. Stoke is not a company doctor then he at least has running at under £1m, of which the appearance of being a exports accounted for just over resident nurse at Preformations, £100,000. It was probably also where he took over the belm suffering from a lack of corporat the beginning of 1975. Until ate identity since the business then, the business formed part was operating simply as a of Plessey's Swindon complex. "department within a division although since it was a small of Plessey Electronics." manufacturer of cast permanent magnets, it was becoming lncreasingly apparent that it did out fit comfortably with Plessey's mainstream high technology electronic activities.

Preformations' main customer in the Plessey daya was the loudspeaker industry. Statistics for the U.S. market showed that some 40 per cent of cast therefore formed into a new nagnets went into loud-speakers, ilmited company, with Plessey a proportion that probably held putting up £2,500 for a 20 per good for the UK as well. How- cent stake and Mr. Stoke and ever the market was dominated his family paying £10,000 for shop days giver the market was dominated. his taking part of 80 per cent. Plesby the Japanese and price com. the balance of 80 per cent. Plesby the Japanese and price com. petition was fierce, a situation sey also injected a further that presented Preformations with a major problem.

Mr. Stoke. who has a background in financial and engin— It seems probable that the seering management and who only other course of action at

am picking up a company peripheral activities, was convinced that Preformations should quit battling it out in the londspeaker market for its bread which has just arranged, with and butter. He felt it should the help of Development turn instead to the specialised Capital, for an injection of end of the industry where specification and quality counted for more than price. At the time, though, Preformations was incurring losses. The sales were

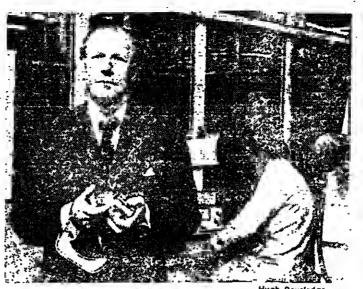
> The solution, as Mr. Stoke saw it, was to spllt off the busi-ness from Plessey, a move which would enable him to take an equity stake as well as a managerial role. Plessey, impressed by Mr. Stoke's plan to inject more "technology" into the company's products, decided to back him. Preformations was £450,000 hy way of a loan to finance the planned shift in

I AM not a company doctor, to help it divest some of its Plessey to cut its losses and close down Preformations. Once committed to hacking Mr. Stoke, though. Plessey passed over to him the day-to-day management of the company, but understandably kept two directors on the

> Mr. Stoke's move certainly proved fortuitous, because a sbarp increase during the past year in the price of cobalt, a priocipal iogredient of cast magnets, bas led the loudspeaker industry to look for a cheaper substitute. Ferrites, which are magnets made from powders pressed and then fired, have replaced cobalt magnets in all but the more expensive loudspeakers. However, Pre-formations has already moved a long way from its dependence on speakers.

Now Preformations' magnets are used in a wide variety of industries, though no single one accounts for more than 15 per cent of sales, even though the company has only 20 significant customers. Main sales aress include electronic weighing machines, radar and computers areas where Preformations believes substitution of cobalt magnets is not feasible with present technology.

Much of the Plessey loan was used for capital expenditure, totalling about £500,000 so far. . This included construction of a brand new foundry with four was brought into Plessey in 1973 the time would have been for electric furnaces, doubling the cobalt and can be applied they were in 1974.



Mr. Mick Stoke, holding a development die set, in Preformations' development area, where sintering and testing of "Supermagloy," the latest high power magnet material, is carried out.

company's capacity in the past price and problems of supply, the expansion has hardly proved well timed.

On the other band, Preformfrom a breakthrough with a

where space is at a premium. year. However, because of the Preformations is the only manusharp increase in the cobalt facturer of the material in the facturer of the material in the UK and this puts it "streets ahead of U.S. technology," maintains Mr. Stoke.

Mr. Stoke's concentration on ations has been able to benefit improving and developing Preformations' existing products new material originally de-veloped by the Swiss for use four years, led to a rise in sales four years, led to a rise in sales The material is to over £4m: this means that in called Samarium Cobalt, and its real terms they have expanded advantage is that it uses far less to two-and-a-half times what

Increasing emphasis has been Plessey's eagerness to sell. Mr. funds but also a source of put on exports, which now amount to around half of all significant supplier in Europe. The main export markets are France and Germany on the Continent and the company has opened up markets in Australia aod the U.S.

But the sales gains and technical innovation bave yet to work through in terms of profits. And the recovery path bas shown a biccup as a result of Mr. Stoke being put out of action for several months by illness a couple of years ago, before he had been able to build up his management team—a classic example of how a small conpany so frequeotly relies heavily on one key figure.

However, the company is confident that from here on it will be profitable — inded profits of £250,000 look possible this year. So why, given this turn-round, should Plessey have decided to pull out completely? This is a particularly per But it will have the energ of the cleaning out all borrowings tineot question given put up a further Plessey £100.000 loan a year after Preformations was split off to enable another Plessey sub-

sidary. Preformtools, a preci-

fund development, sion engineering company to be From Mr. Stoke's point of view development capital was grafted on to the company. The answer is that it was Mr. attractive not only as a source of Stoke's initiative rather than

Stoke says that though Plessey management assistance. The direct link will be Dr. Peter sales. Claimed to be the largest ment of the company Prefor- Palmer, an engineer by profes-manufacturer of cast magnets mations was "still looking over sioo, who will join the Preforin the UK, Preformations its shoulder" before taking any mations' board. Before joining helieves it is also the most significant step. And clearly Development Capital Dr. significant step. And clearly Development Capital Significant step. And clearly Development Capital Plessey was looking to be repaid Palmer's recent experience has included BOC-Airco, Hall and Drake and Cubitt in what he describes as "trouble shooting" roles. Dr. Palmer is typical of Development Capital's executives who. untypically for development

body connected with the finance capital organisationa, tend to be industrialists rather than fincompany, which manages invest-ments on behalf of the Co-Preformations' next step is to Insurance Funds, take its magnet technology into Trust, the oil industry. The company Funds and Commercial Union bas already developed a ditch magnet which has been designed to remove metal cuttings from The £300,000 cash that the NCB is putting up in preference the return mud channel on drills, to give operators a quick idea of conditions during drillstake and pay off all the out-standing debt owed to the

Underwater magnets are being developed for the North Sea industry and, Ideally, once Preformations becomes estahlished in oil new markets, such as the Middle Eest, should opeo

According to Mr. Stoke thelong-term objective is to dominate in Europe and expand also looking at other products, such as small components in specialist steels, where the management can use its metallurgie i knowbow.

SMALL FIRMS are better than inherent in successful innovalarge ones at invention, but are tion. they as effective at innovation. The report, which covers—the process of translating promedium—sized manufacturing luct ideas and working models firms as well as their smaller nto profitable and successful inished products?

The answer, with certain ex-ceptions, appears to be No, to judge from a newly published nternational research study.* But the study does not fly in the face of the current fashion for demanding more aid for mall and medium-sized firms. It agrees that governments, the esearch institutes with which they are associated, and other supportive bodies should do nore to assist small business. out it is particularly emphatic hat aid should not be directed argely towards research and levelopment, as it has been for arger firms in the past.

Instead, it calls for more conentration on reducing the universities, independent in Turning to innovation, as mancial and market risks ventors and small firms bad distinct from invention, Dr.

brethren, was written jointly by an Englishman and a Dutchman: Dr. Roy Rothwell of the Science Policy Research Unit at Sussex University, and Dr. Walter Zegveld, of the Dutch TNO Organisation. It forms part of the Six Countries Programme on Government policies towards technological innovation and government and leading research institutes in France, West .

Decision Dr. Rothwell chal-lenges conventional academic and independent inventors small firms. He says that reanalyses of a particularly influential 1958 study showed that efforts of large firms.

Aid to small firms: a need to boost

innovation rather than invention radical inventions only up to Since then corporate R and D (mainly by large firms) Germany, Holland, Ireland, Canada and the UK played the dominant role. Commenting on his report in journal Management

ment.

BY CHRISTOPHER LORENZ made the major contribution to Rothwell's article cites a five- only a minor role (less than country study of three years 20 per cent) except in France ago by the U.S. National Science (the other countries were the

He also emphasises that at (sales of under \$5m) and that of medium-sized ones (sales of least half the inventions in the \$5m-\$50mi. The results were most striking: • Averaged over all coun-tries, small firms contributed cent). about one-third of all innovawork and innovative taken by large firms.

Foundation which differentiated U.S., UK, West Germany and

Small firms' contribution was highest in the U.S. (35 per cent) and France (31 per cent). followed by West Germany (26 per cent) and the UK (23 per

The study also came to grips tions, the majority share being with the distinction hetween

vation or to a dearth of radical

The U.S. study showed that: ● In the U.S. small firms produced a ressonably even

distinction for several reasons.

especially in the light of the

current debate about whether

Britain's industrial weakness is

more attributable to the lack of "improvement"-type inno-

In the UK, bowever, the innovative output of small firms

was removed from the manage-

standing debt had gradually

Thus, in the Autumn of 1978,

Mr. Stoke approached Develop-

ment Capital, a choice made as

a result of bis knowing some-

Investment

National Coal Board Pension

capital will buy out the Plessey

electronics giant. As such the

manoeuvre can hardly be des-

cribed as venture capital and for

Preformations little will be left

from the balance sheet, putting

the company io a better position to approach its bank if need be.

The NCB would possibly put up

more money in the future to

fund future development.

been run down.

operative

Insurance.

Electra

ess pronounced tendency. • A further international contrast was that in West Germany, Japan and France, the says. emphasis - for firms of all improvements. This is a key

sizes — was on the less radical types of innovation. The report by Rothwell and Zegveld reviews and links together much of the research literature on innovation of the last two decades, but is also a research study in its own right.

Among its many conclusions and recommendations is that the importance of public procure-ment to the looovstion process

type innovations (27 per eent, between a quarter and a half of 30 per cent and 37 per cent total demand (varying from respectively). A similar pattern country to conorry), it is surwas found for large firms. prising bow unaware are those responsible for procurement in the public sector of their strawas composed entirely of tegic potential for affecting radical breakthroughs. Large both the rate and direction of firms showed a similar, though innovation. So far government procurement had generally played a significant role only in the military area, the report

> monufacturing firms: their role ond problems in innocation government policy in Europe, the Conada, Japan Available from Walter lsroel. Zegveld, Staffgroup Strategic Surveys TNO, PO Box 215, Schoemakerstraat 97, Delft, Netherlands.

† Monogement Decision 16: 6. (General Management ■ Medium-sized firms played consisting of step by step shift," and "improvement" markets account for probably 43823).

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

ENERGY

Lot of hot air can be cheaper

news—the Festival Hall is loft and special effort has deter-heated through the extraction mined that there should be no of heat from the Thames—but loss of sleep due to vibration or their application is certainly a new runner in the field of energy saving and heating in

Operating like a refrigerator in reverse, extracting heat from outside the home and releasing it indoors, is a system now available for domestic ose, 350 Series, from Eastwood Heating Developments, Burns Lane, Warsop, Mansfield, Notts. (0623

These air to water machines provide hot water and heating via radiators, and are the invention of Mr. K. J. Harris who claims to have designed the first commercial deep freeze cabinet to be made in this

His ideas were born in the early 1950s (when fossil fuela were cheap) but it was not until after the 1973 oil crisis, and following further refinement to make the machines more compact, that development actually

coupled with the disappointing findings of the Electricity Council's "Economy 7" plan, drive the energy of the hot gas in the form of heat, which enables the beat pump to emit more energy than is used to dependancy on the productmay have just set the climate for the introduction now of the beat pump to the consumer

market. Like most deep freezes and refrigerators, the heat pumps are electrically driven and comprise two main units connected by two pipes and an electric circuit-this layout is known as

Evaporator, which is the low grade heat collector, is mounted

unit and compressor is boused in a casing looking rather like an ordinary floor mounted domestic boiler. This can be situated in the kitchen, utility room, garage, or wherever is oil. convenient

Evaporator is a device which incorporates a fan blowing air over copper coils carrying a nontoxic refrigerant. Because this material will "boil" at a very low temperature, the relative warmth of the incoming air evaporates the refrigerant which in turn cools the air, i.e. the air has lost what heat it contained to the refrigerant. This action takes place on a con-

tinuous basis. Evaporated gas is then drawn back to the compressor and undergoes compression, thus gaining more heat. Resultant high pressure gas is then con-densed back to its liquid form.

Condensation within the coil releases the energy of the hot used to heat water, as in a conventional boiler in an in-

direct system. Having condensed, the liquid refrigerant, still under pressure, is allowed to expand again to a saturated vapour in the evaporator-and thus back to square one. The process is continuous a capital cost for conversion of so long as the compressor is

System bas been developed, says the company, also to cap-

wisdom on the inventiveness of owed their successful commercial exploitation to the develop-

It incorporates electric hesters which cut in automatically under rare and extreme conditions, when the machines are unable to extract enough low grade beat from the atmos-phere to satisfy demand in the system. The heat pump will return a useful COP (Coefficient of Performance) at temperatures

down to as low as 25 degrees F. COP of 3.5 during the accepted 33 weeks of heating season and an average COP of 5 during the remaining 19 weeks.

For the price of 1 kW an bour of electricity, claims the company, its heat pumps will return on average, 3.5 kW an hour of energy, imparted to the hot

Although installation costs are mined that there should be no loss of sleep due to vibration or noise from the apparatus.

The other unit, the heat pump itself with its condensing unit. asserts the company, the consumer will benefit by some 40 per cent oo annual running costs against solid fuel and by some 43 per cent compared with

DEBORAH PICKERING

Promise of savings

CHANCES ARE that all the steam-raising equipment at Cadbury's Bourneville factory will ultimately be converted to fluidised-bed coal burning, should the modernisation project on the company's first elderly tube boiler of seven prove successful.

Fluidised-bed combustion is the process in which the granulated fuel is made to behave almost like a liquid by blowing powerful jets of air through the fuel layer.

It allows installers to burn lower-grade coal and secure almost complete combustion with easy control of off-gases, simply by adding ground limestone to the bed.

Commissioned during 1978 at £147,000, the fluidised bed plant provided with power to drive it. is now under evaluation.

over a full year's operation of from the roof trusses. It is assumed that most people's sor.

ture the heat losses of the electric motor driving the compression of the converted plant should be of the order of £52,000. But more electricity and oil is used during the start-up period, so a bill of about £5,000 must be set against this saving to give a net WITH maintenance engineers in Said also to be ideal for expected benefit on this particumind, two new products have modelling and making prototype lar steam-raiser of £47,000. In just been announced by Hermemoulds, jigs, tools, and dies. other words, the pay-back time is roughly 24 years.

Energy Equipment designed (08954-45511). and installed the plant at Foil sachets Bourneville.

Energy Equipment Is at Energy Honse, Hockliffe Street, Leighton Buzzard, Beds. Tel.:

electric FINISHING

Coatings get a

between the role of small firms Japan.

own to as low as 25 degrees r. FIRST electric infra red by one man, giving double the The series has an average medium wave drying oven for previous production rate.

OP of 3.5 during the accepted powder coating in the UK 1tems on average up to installed by Wallace Knight is 13 ins by 1 in are epoxy at Devon Ornamental Furniture, finished in black gloss, white, Bideford, for the production of bronze and silver. However, the

wrought ironwork. This installation is effecting considerable savings through higher quality and more con-sistent finishing and bas doubled production rates, while cutting energy coosumption.

Previously, Devon Orna-mental used wet paint batch dipping. This was slow with items taking several hours to dry, occupying a large area as they were left hanging to cure: The two separate dipping and hanging operations were labour-intensive and quality was incon-

In January the company installed a Volstatic "Compact" coater to improve output and quality. This is designed to run at a speed of 4 ft/minute but limited space for the oven at the Bideford works led to problems with stoving. Extensive trials proved conclusively that the new Wallace Knight electric infra red drying system was the only one capable of stoving in less than 10 ft. at this speed, any other type would require st least double this length, the company decided. The oven installed is only

8 ft io length. Coating and stoving processes are operated

1tems on average up to oven is designed to cope with subcontract work with the side panels opening to take anything up to 20 ins by 24 ins. It is extremely economical, using a maximum of 33 kW of electricity to stove all types of Ironwork. However, it is expected that a loading of only 25 kW will be required for most jobs.

The secret of the efficiency is in the use of high output medium wave radiators which convert electrical energy into infra red radiation readily absorbed by organic coatings. This also assists in maintaining a high quality finish as the powder is stoved quickly throughout the whole coating thickness to give fast and even drying with no orange peeling, boiling or dust contamination. The unit is operational as soon as it is switched on.

Further economies will be made by Devon Ornamental by employing heat recovery units for which infra red drying ovens are emineolly suitable as they produce no barmful exhanst gases to complicate the task of Wallace Knight, 515 Ipswich

Road, Slougb. 0753 28151.

POWER

Planned to meet UK needs These cootrol centres are de-

SIEMENS is offering motor control centres specifically designed in accordance with signed to meet the requirements BD5486 Pt.1 and BS4070 Class of the British market Desig- 3; the construction affording nated the 8PH range, they adapt IP52 degree of protection to easily to individual customer BS5420 as standard. To ensure requirements and minimum system protection the centres ment's display. Control settings Berks. RG11 5AR. Wokingham delivery time is claimed are ASTA certified for use on

Four variants are available high-fault-level systems. with either front or rear access and a choice of withdrawable or fixed compartments. Estimates are that saviogs for up to 66V operation,

MATERIALS Sealing and jointing

WITH maintenance engineers in Said also to be ideal for tite, Tavistock Road, West

the company's new Double Bond temperature to provide a strong, epacy repair putty which can resilient moisture, oil and gasbe used to bond iron, steel, proof scalant, and is suitable for concrete, brick, hrass, bronze, both flanged and screw threaded aluminium, porcelain, and glass. joints.

Problems of where to find a Drayton, Middlesex UB7 7RA one-off gasket are solved, says the maker, with Silicone Instant Foil sachets of 50 g contain Gasket. This cures at room

resilient moisture, oil- and gas-

Further data on the equip-

ment from Siemens House,

Windmill Rosd, Sunbury-on-

Thames, Middlesex, TW16 7HS.

09327 85691.

PROCESSING

Solids are separated from liquids

A WASTE water separator movement of out-of-balance removal of solid matter from effluents, sludges, slurries, wash water and other liquids arising from industrial processes has been introduced by Gough and Co. (Hanley), Stoke-on-Trent, Staffs.

The equipment has a patented vibrating separator into which liquid is pumped from an agitat-ing supply tank constructed to form the base of the unit. The

vide a flexible connection between the vibrating unit and the screen assembly. Vibration charge is accomplished by the eccentric below,

weights mounted on the drive shaft of the vertical motor. By adjusting the weights and air pressure in the supporting cushions, the most suitable screening pattern can be attained for any particular material.

The liquid to be separated is diverted into the base supply tank where it is agitated to keep the solids in suspension. Applications separator, which is of circular It is theo transferred by a construction, is fitted with a 2 in electrically-operated centrifine mesh screen held in tension to provide a uniformly vibrating surface.

Three air-filled cushions provide a grantle of the control of the they are released through a HARRIS SYSTEMS, indepenchute, while the liquid is discharged through a similar outlet

INSTRUMENTS

Accurate frequency meter

8566A will cover the frequency range 100 Hz to 22 GHz at 10 Hz resolution and can measure frequency with the accuracy of a lab counter.

Furthermore, being microprocessor-controlled, it is easy to use and requires no add-on units: frequency selection is

All controls are "useroriented" and there is a crt readout of all control settings. Even traditionally complex tasks like isolating and measuring individual signals have been simplified. Users can, for example, "zoom-in" on a signal and have instant readout of frequency and amplitude; data may be stored for later recall if 784774

HEWLETT-PACKARD'S microthe measurement is to be wave spectrum analyser Model repeated.

Fully automatic operation is possible. All the instrument's minal, the three-display Harris functions are remotely pro-system is linked to a 6640 at grammable and the analyser can Freight Computer Services, the be commanded to feed its National Freight Corporation's measurements out via the bus bureau in Birmingham, where for interpretation and further Roadline's central files are held. interaction y a computing controller. The analyser can be tuned remotely with the pre- minals also provide a general cision of a synthesiser while retaining analogue sweep and

exceptional purity. - Automatic peak search, preselector peak, zoom and setting ham Road, Slougb, Berks-0753 storage, are available by simple 34666. software. This results in a new, higher level of interaction between the user and the

measurement system. Hewlett-Packard, King Street Conveyor

QUALITY CONTROL

Contents of can assured

improperly cooked can of food reaching the customer can be reduced, claims Nordson (UK), by the use of a system it bas developed for high speed individual can application of therm-

ally sensitive ink.
Said to be an improvement over the more normal method of marking batches of cans with tags (which gives no assurance that each and every can has been processed), the system makes use of the company's H20A adbesive spray gun in

PROSPECT of an cylinder, solid state duration timer and a can sensor.

A red mark of uniform size is applied to each can which at the 240 deg F temperature of the retort, turns green. This mark remains under the label of each can as indelible and

fall off or be lost. One gallon of the ink costing about £40 will mark over 1m cans.

positive evidence of retort

status. There are no tags to

More from Wenman Road, association with an air pressure Thame, Oxford (Thame 3171).



COMPUTING

CHAM CON/ LONDON 88894

dent supplier of IBM compatible interactive and distributed processing display terminals, has developed emulation suites for linking 8170 and 8180 equipment to Honeywell. Burroughs and Univac mainframes in the

The first Hooeywell-linked: Harris 8170 system to go live" for Roadline UK at its London beadquarters. Emulating the VIP 7750 ter-

Used primarily for program; development, the Harris teradministration, on-line, inquiry facility for all Roadline's Head Office management.

Harris is at 145 (K2), Farn-

HANDLING keeps work

moving FLOOR-MOUNTED unit load cooveyor system is now being marketed by Stewart Gill and Co., 163, Bath Road, Slough, Berks. SL1 4AB (Slough 20874). System comprises a series of pallets running on a track and driven by an enclosed chain conveyor mounted in between the pallet tracks.

potential, which will normally be up to 200 kg although heavier loads can be accommodated. As it is able to negotiate 180-

Major features include flexi-

bility in layout and load carry-

degree bends in a limited area, says the company, the system offers a high level of directional

ments in large major potential oreser(aline a)

sh 2 1979

IDING

ites for

ierregions. LUDE: at more speciality se end cut run

re considence of souths travelute to locate and and dge of E

MANDS

the mass housing market.

Rising price of oil — and

the "split" system.

electrical wire and cable? Thousands of types and sizes in stock for immediate delivery

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Missing out on tax changes

BY PETER RIDDELL

A MAJOR apportunity was tained its 1973-74 real value. missed two years age to ensure adjusted for inflation. Instead, there is an annual hattle in

Commins committee stage of the 1977 Finance Bill when the Lawson/Ronker/Wise amendment was inserted, against the Gavernment's wishes. This laid down that, uoless Parliameol ruled otherwise, the main personal income tax alluwances would be increased each spring in line with the rise in the retail price index in the previous calendar year. However Treasury Ministers then failed to complete the joh the indexatinn of both direct thresholds and bands, various

alcohol, petrol and tobacco. The indexatinn of personal allowances helps to achieve what one Tory spokesman in 1977 called honesty in taxatinn. It is still possibly over-optimistic to hope that Cbencellnrs will stnp describing the annual adjustment as a tax cut.

· The specific duties, levied nn the quantity rather than the value of goods consumed, account for around a fifth of total tax revenue.

There are, of course, strong electoral pressures not to failure to increase indirect increase the duty and the result taxes in line with inflation over in 1978 was drily summed up in last December's Bank of the rather low level of vehicle England bulletin, with the excise duty by comparison with exception of the duty on higher its level in real terms only a tar cigarettes, none of these specific duties was increased in may not be as lost as might be the April budget because the assumed in an election year. consequent increase in the retail price index was thought to be inconsistent with the over- raise revenue, instead or in

These duties were increased quite sharply earlier in the life of this administration and thanks to a number of assiduous Tory MPs It is possible to eslimate what total revenue would have to he now in maintain the real value of 1973-74. In the current financial year the revenue from drink and tobacco bas slightly more than maio-

† Indicates programme in

In black and white

BBC 1

6.40-7.55 am Open University

(Ultra high frequency only). 9.30

For Schools, Colleges. 10.45 You

and Me. 11.05 For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill. 1.45 Trumpton. 2.02

For Schools, Colleges. 3.00 Racing

From Haydock Park, 3.53 Re-

The hig exception is the duty an hydrocarben nil, mainly patrol, which at an estimated £2.5hn this year is roughly £1hn less than needed to meintain its there is 20 annual nature increase indirect taxes in line with past infiation and the short-term pulitical desire to avoid hosting retail prices has varying ways in which these tended to predominate. But there are some grounds for hoping that the result may be different this year.

Index-linking

less than needed to medicated by the earlier real value. Comparisons are slightly complicated by the varying ways in which these goods have heen affected by the different this year.

VAT but the long-term trend is indicated by a fall in the parcentage of petrol from nver two-thirds to less then a half during the last 10 years. The recent fallure to adjust hydrocarbon duties is main industrial employer in the main industrial employer in the main industrial employer in the last heen seriously

Just maintaining the 1978-79 real levels will, of course, require increases in all duties in the Budget. This would involve, for instance 2 p on a packet of 20 cigarettes. 30p on a bottle of whisky and 1p per pint of heer—adding up to around 2 per cent on the retail price index and some £500m in revenue.

The Treasury has assumed by index-linking income tax and indirect taxes as the hasis for its economic forecasts. This capital taxes and the specific naturally prejudges nothing but customs and excise duties on ministers have been giving ministers have been giving hroad hints recently. For instance, Mr. Robert Sheldon, the Financial Secretary, noted during Commons questions a fortnight ago that the Government had committed itself to "a move towards obtaining a greater amount of revenue from indirect taxation as opposed to direct taxation over the period abead."

Temptation

Mr. Sheldon pointed to the a long period, in particular to few years ago. So the cause There is, however, a strong temptation for the Treasury to riding priority of controlling addition, through the em-inflatien." addition, through the em-ployers' national insurance surcharge where the price effects will not he felt for some time. Ironically, the balance could be tipped in favour of a rise in specifie duties this year because the 12-month rate of retail price inflation may anyway he hack in double figures between March and May — regardless of the Budget, so an extra 1 of a point may not make much difference.



Carpet trade taking a beating

BY RICHARD COWPER

KIDDERMINSTER

"THERE'S NOT even a carpet haron left nn the council—it's a sign of the times, I suppose," says a wistful Norman James, the local government chief executive officer of Britain's leading woven carpet mannfacture. leading woven carpet mannfac-

town has heen seriously weakened by its dependence on the declining traditional woven sector, and more recently hy the general recession in carpets. The woven sector, which unusually is both capital and labour intensive, has lost mar-ket share to synthetic tufted carpets which retail generally st prices 40 per cent lower than those for woven. According to

stockhrokers Laing and Cruick-

in the last five years has de-

ing UK producer of both these woven types of carpat.

Moreover, the town has a high proportion of small carpet campanies which have a substituted by the based substitute of the linest-based substitute of the linest-ba

panies which have been finencially less able to ride nut more than a short-term slump in trade. The emergence of large retail chains like Harris iohs. and Allied — which have equeezed margins at a time when demand has been slack Survival and lower-priced imports have made greater market penetration—has meant that small companies have not been able

In 1972, at the beginning of the recession, Kidderminster had 19 carpet companies em-ploying nearly 11,000 workers. By 1976 the labour force had sunk to ahout 9,000. With some 2,000 redundancies in the carpet sector in the last two years the number of companies left has now fallen to 14.

to keep their prices low enough

The higger concerns like Brinlons and Carpets Inter- The Morris closure will national have coped with the increase Kidderminster's unemrecession hetter than most and playment rate from an 18 are predicting improved results for 1979. But for many of their smaller brothers it is still town had almost no unemploy-a fight for survival. Eight comment at all. Mr. John Butler. panies are currently receiving the Government's temporary says: "Ten years ago most employment subsidy, but when people could live and work here, shank, production of Axminster

cluses today with the loss of 125 bave narrowed considerably, johs. The subsidiary is esti"This is all very well if Blrmated to have made losses of mingham remains economically f3m since it was taken over in 1968.

mated to have made losses of mingham remains economically healthy, but I believe that If we don't do something soon to

The managing director of one small Kidderminster carpet company says the government subsidy has just enabled him to survive. But even so he has been inliged to reduce his labour force by over 40 per cent in the last two years, and half his looms are pre-war veterans. Small boys like us have just not got the financial muscle. If Marris, for example, had not heen owned by Youghal I doubt whether it would have survived as long as it did." he says.

5.7 per cent. A decade ago the the district's corporate planner.

area for jobs. By 1976 when there were atill 9,000 employed The lotest victim of the there were atill a way employed the shake-out is Marris Carpets, a lar carpets, another 7,000 were subsidiary of the Irish-based commuting outside to work. And company of Yaughal, which since then the gap is likely in a new dye-injection machine costing £4.5m which is the first cost and will

attract new industry to Kidder-minster we will have become dangerously dependent on an area outside onr own control." he says. A new plan for the area envisages at least 100 acres for new industrial development.

That all is not gloom was evident last week when an Arah consortium called Near Karn paid \$4.5m for the Kidder-minster and Stourport based company of Carpets of Worth, the last remaining part of Bond.
Worth Holdings which crashed
in 1977 with debts of around
£20m. The future of the company is now assured.

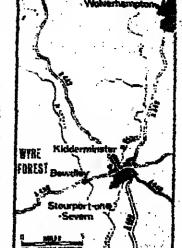
And the two leading carpet manufacturers in Kidderminster have a much more optimistic view of the future than was the case a year ago. Mr. Gordon Field, the managing director of CMC—a subsidiary of Carpets CMC—a subsidiary of Carpets small firms can stay with it in International, the leading maker their present form. Investment of carpets by value in the UK—base declined in real terms by says that although the company almost 70 per cent since 1973.

cent. Kiddarminster is the lead- least one or two may ant stay dependent on the Birmingham cont in the last five years to its present 2,800, he believes that the bottom of the trough has now been reached. In fact the of its kind in the world and will bring Kidderminster into the tufted sector in a hig way fur

the first time. But the main carpet trade union is far less optimistic. Mr. union is far less optimistic. Mr.
David Carter, general secretary
of the Powerloom Carpet
Weavers and Textile Workers
Union, which has 6,000 members in the district, says: "UK
carpet imports have increased
to 15 per cent compared with 7
per cent five years ago, employper cent five years ago, employ-ment in the area bas slumped to helow 9,000, Morris is shout to close and I dread to think how many more there are to come.

"There's no good going le the Government in ten years' time when imports are 50 per cent and it's too late. What is needed now is for government, unions and management to co-operate in setting up a sector working party to look at ways of restructuring and rationalising the industry.

"I just can't see how so many clined at a rate of 7 per cent this comes to an end in April but since then Kidderminster has cut hack its workforce in This has to change. We are not per annum and Wilton at 10 per there is every chance that at has become more and more Kidderminster by around 20 per against the introduction of new



technology as long as redundencies are achieved - in consul-(ation with the union - in the most hamane and financially attractive manner possible. After all if we don't get it, the technology will go elsewhere and ultimalely put us out of This year the town celebrates

the centraary of the death of its most famous native son, Sir Rowland Hill, the man who introduced the "penny post" in 1840, transforming what until then was an unsatisfactory postal service full of abuses into a cheap, efficient and profitable one. If someone could do the same for the town's carpet industry then Kidderminster's citizens might really have someting to celebrate.

Night Nurse can master strong field at Haydock

Silver Buck, Sea Pigeon and Within the Law are among the runners at Haydock for today's W. D. and H. O. Wills prizes, and the Lancashire course should be well worth visiting. If Night Nurse is to make history by taking the Gold Cup in 13 days' time after two

> RACING BY DOMINIC WIGAN

Champion Hurdle triumphs be

must, surely, land the 21-mile Emhassy Premier chase final. Mr. Reg Spencer's bay Falcon elding, who has made no mistakes in five outings since beatlng Jonjo O'Neill in a minor event at Market Rasen back in September, Impressed all who saw him toy with Dramatist in Ascot's Killiney Chase 10 days hefore Christmas.

lights of the Queen's visit

10.15 Referendum: Yes or No? 1.00 News, plus FT Index, 1.20 (analysis). Thames News, 1.30 Sounds of

10.45 Regional, National News. Britain. 2.00 After Noon Plus.

5.45 News.

6.00 Thames at 6.

8.00 Flambards.

10.00 News. 10.30 Show Jumping.

6.30 Emmerdale Farm.

7.00 The Muppet Show.

9.00 House of Caradus.

7.30 Sale of The Century.

11.30 The London Programme: Astrid Proll.
12.30 am Close: Jo Maxwell Muller reads an Old Testa-

ment story.

All IBA Regions as London except at the following times:

ANGLIA

1.25 pm Anglio Hews. 2.25 Firstide Theatre. S.15 Belley's Bird. 6,00 About Anglie. 11.30 Calebrity Concart featur-ing Nene Mouskeurl. 12.30 m The Living Word.

ATV
1.29 pm ATV Hewsdesk, S.15 Heppy
0ays, 6.00 ATV Today, 11.30 Christopher Lee-Prince of Menece: " Monstar,"

BORDER

11.20 pm Border News. S.1S Garnock Way. 6.00 Lookeround Fridey. 8.30 Galloway Calidh. 11.20 Puddeduck Frolics. 12.30 ars Bordet News

CHANNEL

1.16 pm Channel Lunchtime News and What's On Where. 2.25 The Hew Avengers. 5.15 Emmerdole Ferm. 5.00 Report et Six. 6.35 The Estationery Ark. 10.28 Chennel Lets Heiks. 11.30 Michel Legrand end Friende: Petula Clork end Paul Anka. 12.25 em Hews and Westher in Franch.

GRAMPIAN

GRANADA :

to the Middle East)

10.50 Ballroom Champions. 11.25 The Late Film: "The

Naked Edge," starring Gary Cooper. All Regions as BBC1 except

at the following times: Scotland-5.55-6.20 pm Report-

lng Scotland, 10.45-10.50 Re-

Wales-11.05-11.30 am Fnr Schools (Let's Look at Wales).

gional, National News.

equally impressive at Wolver- ances this term. bampton 12 days later. The Malton eight-year-old took the lead quickly in the Astbury Trophy and the race for first prize was all over barring an unforeseen mishap as the North's most popular chaser powered his way clear after jumping the tenth hardle.

If any of the seven opposing Night Nurse is to create an upset, I believe that it will be Ice Plant, who has always struck me as a particularly good looking young chaser with a hright future,

If Night Nurse is the most popular chaser trained north of the Trent, the same can be said for his stabla mate, Sea Pigeon, in the hurdling department. This extraordinary Seabird II gelding, who might well have added the 1978 Colonial Cup to his major triumphs hut for a hlunder when closing with the leaders at the third from home,

The Learning Tree, 12.10 pm

Rainbow. 12.30 The Cedar Tree.

The three-length conqueror of Heluan eased into the lead approaching the final flight in Newbury's William Hill Hurdle towards the end of October. Sea Pigeon again won through a characteristic late thrust in the Bellway-supported "Fighting Fifth" at Newcastle, quickening close bome to account for Birds

It is always a risky business—as I have found to my cost—onder-rating Sea Pigeon's ability to give weight away all round but on this occasion I shall be slightly surprised if he is good enough to give 19 lb to his fastimproving stable mate, Within

HAYDOCK

L45-Replgne** 2.15-Trichromatic 3.15-Night Nurse*

3.45-Within the Law***

Reports. 6.30 Kick Off. 11.30 The Friday Film: "Berserk," sterring Judy

1.20 pm Report West Headlines, 1.25 Report Weles Headlines, 5.15 Laverne

3.20 Scolland and Wales—A Report Weles Headlines. 5.15 Law Question of Devolotion, 4.45 A and Shirley. 6.00 Report West. Emmedded Form. 11.30 Report West. Emmerdele Farm, 11.30 Revien, Service escept: 1.20-1.25 pm Penawdeu Nevyddion y Oydd. 1.30-1.45 Devolution. 1.45-2.00 Refierendum. 4.45-5.15 Plant y Byd. 5.00 Y Dydd. 6.30 Report Wales. 7.00-7.30 Emmerdele Ferm. 10.30 Referendum Speciel. 11.00 Canlyniad y Refferendwm. 11.30-12.30 Rm Rush. HTV West-As HTV General Service except: 1.20-1.30 pm Report West Hoodines,

SCOTTISH

11.55 em Scotlend Decides. 1.25 pm News and Road and Weether. 5.15 Mr. and Mrs. 6.00 acotlend Today— Scotlend Oecides. 7.30 fleving Country. 10.30 Ways and Means—Scotland flecides. 11.15 Late Call, 11.05 SWAT.

SOUTHERN

1.20 pm Southern Hews. 2.25 Little Heuse on the Prairie. S.15 Heppy 04ye. 5.00 Scene Seuth (South East Area Only). 6.30 Out of Town. 11.30 Southern News Extrs. 11.40 Soep. 12.10 am The Late, Late Show: "La Ceza." TYNE TEES

6.25 am The Good Word followed by Horth East News Headlines. 1.20 pm Horth East News and Lookaround, 2.25 Freside Theatre. 5.15 Mr. and Mrs. 6.00 Horthern Lile. 6.25 Sports-time. 11.30 Chopper Squad. 12.30 am Epilogue. ULSTER

1.20 pm Lunchtime. 2.25 The Srx Million Doller Men. S.15 Mr. end Mrs. 6.00 Good Evaning Uleter. S.30 Sports-cast. 11.30 Aprilme. WESTWARD

12.27 pm Gus Honeybun's Sirthdaye,
1.20 Westward News Headlines. 2.25
The Hew Avengers. S.15 Emmerdels
Ferm. 8.00 Westward Dlary. 6.35 Time
Out. 10.28 Westward Dlary. 6.35 Time
Out. 10.28 Westward Late Hews. 11.30
Michel Legrand ond Friends—Petula
Claik and Paul Anke, 12.25 am Falth
for Life. 12.30 West Country Weother,
Shipping Forecast.

6-25 am First Thing. 1.20 pm Grempien Newe Hoadlines. 5.15 Emmerdele Farm. 6.00 Grempien Today Referendum Special, 7.30 Andy's Party. 11.30 Reflections. 11.35 Streats of Sen Francisco. 12.30 am Grampian Late Hight Headlines, followed by Rood and Ski Report. YORKSHIRE 1.20 pm Celendar Haws, 2.25 Streight Enough, 5.15 Balley's 2rd, 6.00 Celendar (Emley Moor and Salmont adroons), 6.35 Celendar Aport, 11.30

London Broadcasting S.00 am Morning Mueic. 8.00 AM:
news. information. Havel, aport. 10.00
Brion Heyea. 1.00 pm LBC Reports.
3.00 Georgo Gele. 4.00 LBC Reports.
(centinues). 3.00 After Eight. 9.00
Hightline. 1.00 am Night Extra.

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3. Jacqualine Biaset, George Sogal 700 MANY CHSFS IA). Cont. from 12.45 pm.

CLASSIC 1, 2, 3, 4, Oxford Street, 836 6318 (Dos. Tottenham Court Rd. Tuber. 1: DAMIEN-OMEN 11 (X). Cont. from 1:15 pm. 2: THE NULLS HAVE EYES (X). Peter Barkworth MR. SMITH (X). Cont. from 1 PM.
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44 Clint Eastwood EYERY WHICH WAY.
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1. THE HILLS HAYE EYES (X). Perer Sarkworth. MR. SMITH (X). Cont. tros. 12-58 om.

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CURZON, COTTON STREET. WI. 499 3737.

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LEKCESTER SCULARE THE AYRE (B30 5252). THE PASSAGE (XI. SEO PTOSA WHA 1.15.

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15 prog Mon-Frt and I prop sold for a sal and son. No Late Show Bookles.

10 DEON HAYMARKET (330 2736-2771. S.15. Sun. 4.5. ports Was 2.15. S.15. Sal 1.35. ports Divide at Bor Office or by post. I Sal 1.35. Show Frt & Sal 1.35. THE PRINCIPLE ST. ST. STUDIN 1. 2. 4. Oxford Circus. 437 3300.

1. An alicabar cast in Robert Althary Allegar (AA), Prost. 2.20, 3.10,

7.55. Lats Show Sat. 10.45 pm.

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2. Abetha Covistic's Dearth IN THE HILE IAI. Provistic's Dearth IN THE HILE IAI. Provistic's Dearth IN THE LATE TO A. 2.26, 5.25, 8.10. Land 4. TME DEER MUNITER (X). Sep. Park. Italiy 12.30, 4.05, 7.40. Late show Sat. 1.20. Seats Bookable

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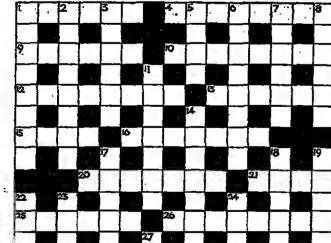
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ACROSS 1 Sour-tempered doctor got up

4 Produces family out of hal... ... and sleep with family in linen (6) linen (6)

10 Type of horse boys string 11 Medical dressing for damage by for same? (8)

Nedical dressing for damage by a heavy attack (7)

up for game? (8)

12 Doctar Hill goes round the 14 Bird taking in fool in vestFrench cast (44) 13 Labourer in company taking 17 Write song out of inclination crude oil east (6) 15 Stnp and check dem (4) 18 The start of central heating

16 One who tests metals like say erbium and radium initially 19 Feat in deed that's frustrated 20 Fnr the sick it could be 22 Luiter with ganglesder in

happy news from the press 21 She has nothing for footwear 24 Drink for each meal (6)

25 Fly hame to party (6) 26 Airman and clergyman? Correct! (8) 28 Sullen aviator started diving and smirked (8)

29 Race picture from the south 30 List followed by Conservative could be revolutionary (8) 31 Stiff after start of frost and cold (6)

DOWN

1 Belittie small car on motorway going to the south-east 2 Drove back with red heans

cept London). 3.55 Play School. 4.20 Hong Kong Phooey. 4.30 Jackanory. 4.45 Wildtrack. 5.10 Grange Hill 5.35 Noah and 5.40 News. 5.55 Nationwide (London and South-East only).

6.20 Nationwide. 7.00 Tom and Jerry. 7.10 Wonder Woman.

8.00 The Dawson Watch. \$30 The Other One. 9.00 News . . .

3 Southern window could be

5 Response from the choir (4)

7 Species the French provoke

8 Lower mesb over female (6)

hut it's deceiving (8)

liner (6)
23 Help fonl nnc way (6)

intn (4)

27 Clolbing that motorists get

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TAPESTRY STATED

Renovated shop in red (8)

9.25 Arabian Journey (high-F.T. CROSSWORD PUZZLE No. 3,911

Schools (Let's Look at Wales).
12.00-4.20 pm Referendum Results (Englisb). 4.30-4.45 Referendum Results (Welsh) Ie Neu Nage? 5.55-6.20 Wales Today.
7.00 Heddiw. 7.30-8.00 Potter.
10.50 Deuand. 11.45-1.30 am The Late Film: "The Naked Edge," starting Gary Cooper. starring Gary Cooper.
Northern Ireland—10.23-10.43

am For Schools (Ulster in Focus). 3.53-3.55 pm Northern Ireland Naws, 5.55-6.20 Scene Around Six. 10.45-10.50 Regional, National News. England-5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Pnints West (Bristel); South Today (Southampton); Spotlight South West

Spotlight (Plymouth). BBC 2 6.40-7.55 am Open University. 11.00 Play School 1.00 pm The Referendum Re-

sults. 4.50 Open University. 6.55 Gardners' World. 7.25 Mid-evening News. 7.35 Star Signs. 8.05 Design by Five. 8.30 Westminster: After the

Refarendum. 9.00 Pot Black 79. 9.25 Pro-Celehrity Golf. 10.15 Late News. 10.30 "Story of a Sin."

LONDON

9.30 am Schools Programmes. 1.20 pm Oodo. 2.25 The Love 20st. 11.54 Sinhad Junier Cartoon. 12.00 s.15 Mi. end Mrs. 6.00 Gtanedo

(a) atersephonic broadcast

Medium Wave
5.00 am As Radio 2. 6.00 Devs Lee
Travis. 6.00 Simon Bates. 11.31 Peul
autnett. 2.00 pm Mike Reed. 4.31
Kid Jensen. 6.31 Roundtable. 2.00
Andy Peebles. 6.50 Hewsbet. 10,00
The Fridey Rock Show (S). 12.005.00 am As Radio 2.

DADIO 2 RADIO 2

RADIO 2
S.00 am Naws Summery. S.02 Tony arandon (S). 7.32 Terry Wogen (S) including 8.27 Racing Bulletin and 6.46 Pouse for Thought. 18.03 Jimmy Young (S). 12.16 pm Waggonero Walk. 12.30 Peta Murray's Open House (S). 2.30 Oavid Hamilton (6) including Racing from Haydock. 4.20 Waggonere Wolk. 4.45 Sports Oask. 4.47 Ray Moors's Relarandum Soecial (S). 8.45 Sports Oask. 7.02 Toks Yoar Partners of the Redio 2 Beliroom (S). 2.02 Friday Hight is Music Hight (S). 2.65 Sports Oeak. 10.02 Trebls Chence. 10.30 Freels Oa Doritz with Callog Romence. 11.02 arien Matthew introduces Round Midnight including 12.00 Hews. 2.0225.00 am You and the Hight shd the Music with Tim Gudgin (S). RADIO 3

News.

VHF Only-6.00-7.00 am end S.45-7.10 pm Open University.

RADIO 4

6.00 sm Hews Briefing. 6.10 Farming Today. S.25 Shipping Foracest. 6.30 Today—Magazino, including 6.45 Pteysi for the Osy, 7.00, 6.00 Today — Hews, 7.30, 6.30 News hoadlines, 7.45 Thought for the Dey. 6.45 Fellow-Townsmon. 9.00 Hews. 18.06 From Our Own Correspondent. 10.30 Bally Scrvics. 10.45 Moning Story. 11.00 Cown Your Woy Oown Under visits Alice Springs. Northern Tertulery. 11.40 Annsuncements, 11.45 Listen with Methar. 12.00 Hews. 12.02 pm You and You'rs. 12.27 My Music (S). 12.55 Worthet; erogramme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Foracest. 2.00 News. 2.02 Woman's Hour from Southempten. 3.00 Refirendum Results Speciel. 3.15 Afternoon Theatrs. 4.00 Referendum Results Speciel. 3.15 Afternoon Theatrs. 4.00 Referendum Results Speciel. 4.15 The King's Singers (S). 4.30 News. 4.32 Taxil) The history of the London Cebs. 5.00 PM; Relevondurs Sosciel. 5.50 Shipping Forecast. 5.55 Weather; programms news. 6.00 News. 6.30 Soing Pieces. 7.00 News. 7.05 Tho Archers. 7.20 Pick of the Week (S). 2.20 Profile.

6.25 Homeward Bound (S). \$5.45 Hews. \$5.50 Homeward Bound (continued). \$5.15 At Home: Concert. 7.10 Gradus Ad Parnassum (S). 7.30 Poetry Now. 6.00 Concert Irom Hanley. part 1: Mozert, Tcherkovsky (S). 8.45 Interval Reading. 9.00 Concert, part 2: Strauss. Eiger. 10.00 Stories on 3.10.20 Music How. 11.05 King's College Choit, Carabridge (S). 11.55-72.00 Hows. VHF Only-6.00-7.00 am and \$.45-

6.30 Any Questions? 9.16 Letter from America. 9.30 Keleidoscope. 2.59 Westher. 10.00 The World Tonight. 10.50 Week Ending (5). 10.65 Fitte on Ftidey. 11.00 A Seok at Bedime. 11.15 The Finenciel World Tonight. 11.30 John Ebdon with the BBC Sound Archives. 11.45 Just Sefore Midnight. 12.00 Hewa. **BBC** Radio London S.00 em As Radio 2. 6.30 Rush Hour, 9.00 London Liva. 11.40 Lobby, 12.03 pm Call In. 2.03 206 Showcasa. 4.03 Home Run. 6.18 London Aports 0esk. 6.35 Good Fioblag. 7.00 Look, 5top. Liston. 7.30 9leck Londonsrs. 6.30 Track Record. 10.00 Lats Night London. From 12.00: An Radio 2.

Capital Radio Capital Radio
6.00 cm Graham Dane's areaklast
Show (S). 6.00 Michael Aspel (S).
12.00 Oeve Cash (S). 3.00 pm Roger
acon (S). 7.00 London Todey (S).
7.30 Headline Odbato: Are The British
Work-Shy? Guests on the panel will
include Frank Chepple. Bill Oevis
(adtor-in-chiel of "Finencial Weakly")
and Stuart Hellend (conomist at
Sussea University). 2.00 Nicky Hotne's
Muntmy's Weakly (S). 11.00 Mike
Allen's Late Show (S). 2.00 am Ian
Insyldson'e London Link Internetional
(S).

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THEATRES

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God Bless America by NIGEL ANDREWS

Shaftesbury Avenue, Studio 1 and ABCs Bayswater and National Lampoon's Animal House (AA), Empire.

The Deer Hunter, Hollywood's first epic venture into the vexed territory of the Vietnam war, is a film of lacerating and astonishing hrilliance. It not only evokes and defines the special horrors of that war with an exactness undreamt of by earlier, smaller films on the subject-Coming Home, Go Tell The Spartans-but it builds around that historical centre a meditation on all forms of dangerous and destructive male ritual, from war to gambling

and hunting.
Michael Cimino, who directed the film and co-wrote the story, is a name new to most moviegoers. Soma may remember a quirky, knockabont action thriller called Thunderbolt and Lightfoot in which Clint Eastwood and Jeff Bridges stormed tragi-comically through the Midwest landscape of the American Dream. But nothing in that earlier film prepared one for this revelation. Cimino tells the story of three young men, buddies from boyhood in a small Pennsylvania mining town, who are drafted and despatched to Vietnam and there run a horrific gauntlet of atrocities as prisoners of war. They return home—at different times and in different ways—to a civilian life whose promise and perspective have now changed beyond recognition.

From early scenes evoking be purple, smoke-wrapped valley town in which the three men work as steel-smelters, Cimino moves first into the thicker, more cheking inferno. of the war itself, then circuitously back to a chill peacetime limbo of pained and trauma-tised readjustment. Two of the "heroes" (Robert De Niro and Christopher Walken) are lifetime friends, now tangling in unspoken rivalry over their love for the same girl (Meryl Streep). The third is a fresh-faced innocent whose shot-gun wedding to a pregnant girl forms a big, set-plece scene on the eve of the men's

The girl, it so happens, is pregnant hy another man (identity unknown) and thereby hangs a subtly-outlined metaphor for the Victuam war itself. The three men leave Vietnam-almost before we,

government, a nation. But the relation to a specific comment powering that one's brain and ing in a back-street casino dedifilm does not rest at any facile, on the Vietnam war as the one's stomach reel in unison. cated to Russian Roulette. A modish condemnation of blinding of Gloucester in King The scene is the most harrow-less desiructive change comes American intervention in Viet Lear bears to a specific coming that I have ever seen in a over De Niro. Back in American nam. Its scope is majestically ment on political sectarianism movie. How Cimino achieved it, having seen his own aggression larger. Once they have reached in Britain of the Dark Ages. without any exceptional quota mirrored and magnified in the the audience, have adjusted our prisoners' mental and physical find hard to understand, eyes in the new setting—the torture at the hands of a gaggle Certainly he locks us three men are discovered waist- of Vietnamese officers devoted

Cimino's account of the

their homes to honour a com- others) of the Vietcong. The unlucky men who fire the one- traumatic ordeal as a P.O.W. Deer Hunter (X), ABC mitment made for them by scene that follows screams from bullet-in-six into their own driving him to seek ritual satis-aftesbury Avenue, Studio 1 some anonymous "other"—a the screen: hearing as much heads — has a horror so over-faction (or catharsis?) by workof visible gore or savagery, I Certainly he locks us inside

deep in a makeshift open-air to wagering on Russian Roulette characters from the beginning. prison, victims (among several -throwing into the river the so that at the inrush of terror. we clamour to escape. And part of the horror is in the sense of wastage: of a sudden, dizzying nush from the ramshackle happiness of their home lives. where each man has his sense of personal value, to a world where human life has parity with insects and animals. As the film progresses, first

> nam. then to the men's escape, then to the pained and prolonged coda in America, Cineno subtly differentiates the characthe three men - and of the friends they leave hehind in Pennsylvania. De Niro is the natural leader: tall, cool-headed, statesmanlike (and bearded, as if to hint at his patriarchal status). Christopher Walken and John Savage are his fellow draftees, one a spirited, quicknerved roustabout, the other the hovish innocent hooked into premature marriage.

> And the closest friend of those they leave behind is the eye-catching John Cazale. Cazale's black hair, sad-dog features and high halding forehead graced the role of Al Pacino's weakling brother in The Godfather. Here he plays the evil genius of the party: his dormant violence and instability writing-in-miniature of the

evils of Vietnam. As prologue and epilogue to the Vietnam scenes, Cimino shows the friends teaming up on a deer-hunting expedition in the lush, pine-grown Adiron-dack mountains. Cazale and De Niro, at loggerheads in the first of these, clash violently in the second, when De Niro snatches from bis friend the "unloaded" revolver he has been carelessly brandisbing and pointing, and finds It to be fully loaded.

The gun and the hunt gradually swell during the film to the dimensions of a gigantic metaphor for American aggression and virility: for the ritualistic assertion of male potency. One of the three comrades in arms - Christopher Walken—stays behind in Saigon after heing demohhed, his

acts of his enemies, he can no longer pull the trigger on his deer-hunting rifle at the moment the minds of his three central of the kill. In him we see the breakdown of the ritual.

THE ARTS

De Niro's role and per-formance deepen as the film progresses. Though the film persuasively draws his leader-like virtues-he rallies his demoralised friends in the Vietnam dungeon, he returns to Saigon after the war is over to recover Walken-there is an equally helievable streak of ruthlessness. He coolly woos and takes to the infernal climax in Viet- to hed Walken's girl-friend on returning from Vietnam; and hefore he leaves Vietnam, we have glimpsed him in the Russian Roulette casino nervelessly watching and wagering on the very games of death from which he has just escaped.

But the power and tragic credibility of Cimlno's film lie in the fact that it offers no glih saint-versus-sinner counterpoint. A small group of small-town characters are painted in such detail, and with such breadth, as to seem to hecome a whole cross-section of American life. I cannot remember an American film that made such a strong impact on first viewing, or that left bebind it such an enduring haunting impression.

National Lampoon's Animal

House is small beer by comparison; hut tolerably fizzy and flavoursome nonetheless. It's as if the drama group of a talented lunatic asylum had heen asked to remake and update Class of '46. Life in an American college circa 1962 was surely never quite like this-every night a Bacchanalia, every passing lecturer a target for ribald jokes or outright assault [sexual if female). But then it was probably never quite like the film's sanitised predecessors either. The film is relentlessly madcap, but its vulgarity is winning. Look out especially for to divorce her husband after his John Belushl, who raises ohesity and uncouthness to an art form. The film has swept through the has not only got a girl into American box office like a trouble but persuaded her to whirlwind, precipitating a rasb of incipient college romps. One company. To maintain a walts with trepidation; but at rigorously respectable appear-



Gilfian Raine and Leonard Rossiter

Greenwich

Semi-detached

It is hard to believe that when every ounce of ingenuity Fred ring. Mr. Rossiter over acts with the play we are currently seeing can offer. the play we are currently seeing at Greenwich was first produced in London, the lead was played by Laurence Olivier, David Turner's comedy deals with the problems of a socially ambitious working-class family who have moved a step up in the social scale into a semi-detached house

in a respectable suburb. You might think of it as a satire, or you might think of it as a sneer. As played by Leonard Rossiter, and directed by him in co-operation with Alan Strachau, you can only think of it as a wildly

exaggerated television sit-com Mr. Turner's observation of suburban behaviour ls acute, and he has used it to drum up some tellingly comic scenes. He gives himself a pretty strong hand to hegin with - Fred Midway | Mr. Rossiter), Area Supervisor of the Sunlight Insurance Company has one daughter who bas just had a week's holidzy with a married man, another who is determined confession of a visit to a West End tart, and a teenage son who hlame it on a director of Fred's about his sinuous plotting, though, and Mr. Turner sends people on and off the stage to

suit himself without much regard to anything but his convenience. If we confine our-seives to appreciation of his cunning and the intrinsic drollery of his cbaracters, we can get plenty of laughs out of this seems to me to have much to do with Fred Midway, them without descending to unkind derision of their manners. It is hard to say, though, exactly to match bim with their own what Mr. Rossiter and his comperformances. Only Gillian pany are aiming at except the extraction of as many laughs as possible from an audience who would be quite satisfied if their

hero just sat In a chair and smiled at them.

every joint in his body, let alone There is nothing very subtle his volce. He bounces around on the balls of his feet, swings bis arms about like a Hyde Park orator, flexes his knees up and down, turns his head in an infinite variety of nods and becks and wreathed smiles. He could even show you the way with a gesture of his bips. Little

The rest of his company have Raine as his wife Hilda preserves any real illusion of reality; Theresa Watson as the elder daughter, Anita Carey es her bysterical sister, and Enn Reitel as the somewhat aged Such over-acting I bave never teenage son are virtually seen before outside a circus puppets.

Bigger arts grants from GLC

tions in London are to get a total of £2.5m in grants from the Greater London Council. separate grants hudget for smaller cultural bodies has been hoosted hy more than 90 per cent to £650,000.

Grant aid to the five maln

Five major cultural organisa- creased by about 24 per cent overall. The hreakdown of the individual grants is: English National Opera £700,000 — up £120,000; London Festival Ballet £570,000-up £120,000; National Theatre £550,000-up £150,000; London Orchestral Concerts Board £460.000—up £75,000; and the Royal Opera House £220,000

ICA Theatre

Teendreams !

by MICHAEL COVENEY

Henze's Autumn

by RONALD CRICHTON

The author of Destiny is behaves huffily when she returns adamant in his defence of home late one night, agitprop as a useful form of theatre, but David Edgar's not really work, as it takes too the feminist touring group, by a trin of butch thugs com-Monstrous Regiment. It shows paring notes on shoplifting two pairs of women striking exploits. The thugs naturally, political poses in a male are girls. Trisha swallows a lot-dominated world, yet the repre- of pills (we see her doing this.

Frances (Gillian Hanna) proguilt.
gresses from disappointment in I do not dispute the central
1968 to role of feminist teacher; premise that men map their
two girls, Trisha and Denise. lives while women have theirs wife who walks out on her bussent the naming of a smug band after 10 years hecause, teacher "Brewer" in order to apparently, he snores and smirk at his droop.

Wigmore Hall

passion on the subject is hardly long to work-out who is wbo and justified hy this meandering, when is when The two girls fall cliche-ridden piece (written out in a disco scene, where together with Susan Todd) for Trisha (Chris Bowler) is set on sentative males are poorly and choosing the right dress to served by the script and hadly do it in during a very long openacted in Kate Crutchley's slap-ing few minutes) and Denise (Mary McCusker) is smitten with

find her sympathetic to their mapped, but even that partial disgust at male chanvinism. truth does not constitute good Frances tells them that her idea theatre. The people likely to of a man is someone who treats see this show do not have to he her like a human being and told. Sexist righteousness is washes his own socks. Frances's always a dangerous game to play chum is a middle-class house- and oppressed males might re-

Coliseum

Siegfried

by ELIZABETH FORBES

that singers approach only with the most meticulous preparareputation, but also something particularly daugting in their characterisation. A soprano once told me that she felt quite a different person since singing attempting Siegfried—the young Siegfried—for the first time must consider it a very important landmark, a watershed in since singing As Anna Green, who since Brünnhilde, was in hetter voice than at the previous performance of Siegfried (noticed on this page by Max Loppert) and as Sir Charles Groves conducted in even more magisterial form

On Wednesday night at the Coliseum Kenneth Woollam sang his first Siegfried. One of the great virtues of ENO's Ring, in my opinion, is the human dimension of its characteristics. There are no outright heroes or villains; even the gods are fallible. Mr. Woollam's interpretation fits well into this moderate scale. No juvenile superman, he has at first the impregnable armour of conplete innocence—or ignorance, one can say. As soon as he starts to learn the facts about himself from Mime he begins to lose his invulnerability. The meaning of fear taught him by Brunnhilde is merely the last and most important lesson in self-awareness.

role; he manages the repartee with Mime, half-serious, half-Woodhird is lyrically sung, with sense of irony are joys to hear the musicality of the phrasing and behold.

There are certain operatic more than adequate compensaroles, chiefly though by no tion for an occasional dry patch means exclusively Wagnerian, of tone. In the third act, when many Siegfrieds are beginning the greatest caution and after to tire and show signs of strain, Mr. Woollam not only finds retion. It is not merely their serves of voice to greet Brunn-length or complexity that gives hilde, hut also a new warmth these roles such an awesome and lustrousness of timbre to match the strange emotions struggling for expression within As Anna Green, who since

than at the previous perform-ance of Siegiried (noticed on this page by Max Loppert) and as Sir Charles Groves conducted in even more magisterial form than before, the final ball-hour of the opera provided a drama-tic and a musical excitement of unusual intensity. Earlier Rai mund Herincx, who took over the role of the Wanderer from Don Garrard, who was indisposed, at very short notice, though he himself was suffering from a cold, bad given an object lesson in clear, forceful declama-tion during his scene with Erda

In the confrontation with Siegfried that follows, Mr. Herincx offered a moment of heart-stopping pathos as he knelt to retrieve the fragments of his spear, shattered hy the triumphant, unknowing youth The rest of the cast was the same as at the earlier per-formance with Edward Byles Vocally, Mr. Woollam has and John Gihhs, respectively already digested the immense Mime and Alberich, especially good in their slanging match before Fainer's cave and in carefree, very adroitly, leaving their separate encounters with himself plenty of energy for the sword-forging at the end of the first act. His colloquy with the Herinex's sardonic humour and



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music advisory panel The Arts Council bas the Philip Jones Brass Ensemble; appointed eight new members Vyakarnam Lakshmipathy, a conand a new deputy chairman to its noisseur of Indian music; Nigel

New members of Arts Council's

music advisory panel. Noel Good-win, the freelance critic and writer, and a member of the panal since January 1976, be-

College of Music). The new members of the panel manager at Blackwell's Music are Dave Gelly, jazz musician and Shop; and Pauline Tinsley, the writer, and chairman of the jazz singer.

Osborne, the composer, and lec-turer at Nottingham University; Dr. John Paynter, a composer with a particular interest in music comes deputy chairman in succession to John Manduell (principal of the Royal Northern Collier of Manduel) mittee, and music specialist

sub-committee of the panel; Eli The panel continues to be Goren, former leader of the BEC chaired by Professor Basil Deane, Symphony Orchestra; Philip professor of music at Manchester Jones, trumpeter and leader of University.

Latham-Koenig, a veteran of is frankly romantic. The move-ment preceding the finale, which pulciano Festival. He was starts brilliantly hut changes rewarded on Wednesday, with the premiere of Henze's new Wind Quintet, L'autunno, which came at the end of an all-Henze programme. The title refers to the composer's belief that he has entered a new period, which he modestly, in his early 50s, calls

"autumn." So much the better for those of us who find autumn the nicest of the seasons.

The substance of the quintet (for flute, ohoe, clarinet, bassoon and horn) comes from music written for a film, Der Taugenicht. The five movements are separated by solo cadenzas. Except for the horn, each instrument doubles with higher or lower members of the same family. Colour and texture are for wind ensembles is almost players. On his own, Mr. entirely absent. Much of Latham-Koenig played the Lucy L'autumo is linear and much the third movement for in (the third movement for in-made them sound unusually stance, dominated by the horn, compelling.

The Koenig Ensemble is and the finale, which muses over directed by the pianist Jan a phrase from Bach's Mognificat) mood more than once, seemed a little diffuse.

> This was noticeable because the rest of the programme, consisting largely of minor works or of extracts (three songs from the big cycle, Voices, interestingly sung by Ian Caley, showing a new side to his talent) made a more direct, more concise impact than smaller things hy Henze always do. There was the accustomed feeling of unquenchable fluency, but as ever a sensitive ear and constant musicianliness.

The performances were likeable, with an appropriate touch of asperity at the climax of Die Weisse Rose and in parts of the songs from Voices. There rich. Though there is plenty of wasn't a great deal of dynamic lively rhythmic writing in the two scherzos, the spikiness assomet the fault of the inflexible ciated with much modara music medium than of composer ur

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Friday March 2 1979

The cost of subsidies

THAT THE Treasury has been Department of Industry is not large sums of public money in itself surprising. But the memorandum from Sir Department on this industry. unhappy about the job-preservin itself surprising. But the have been spent on this indus-memorandum from Sir Douglas try, in launching aid and in Wass, permanent secretary to other ways. An analysis pubthe Treasury, which was leaked lished by the Department of to the Press earlier this week. Industry four years ago showed underlines in a dramatic way that between 1945 and 1971 a the very large financial losses which these projects can had been contributed by involve. It is true that not all successive governments to 40 the projects referred to in the successive governments to 40 successive governments to 40 successive governments. the projects referred to in the airframe and aero-engine pro-memorandum went abead, pre-jects, and less than £150m had sumably in part because of been recovered. Treasury objections. But others did, including the Rolls-Royce the British Aerospace 146 Viscount—had there been any feeder airliner and the same substantial excess of company's partnership and the same substantial excess of com company's partnership with Airhus Industrie in the A310 version of the Airbus.

lt would appear from the Treasury's figures that none of these three projects can be defended on commercial commercial grounds; they are being undertaken for non-commercial reasons, including the preservation of employment, the promotion of exports and support for advanced technology. The fundamental question raised by the Treasury memorandum is whether there is some less wasteful way of achieving these objectives

Framework

The Tories bave seized on the memorandum to score some they are just as capable as Labour of using taxpayers' money to save jobs or to pro-tect industries which for one reason or another they regard as essential to the national interest; after all, the Tories' Industry Act of 1972 provided the framework under which most of the subsequent intervention in industry took place.

In view of the bipartisan approach to industrial subsidies it is bardly realistic to say that commercial criteria must be the knows that no government ment is that it not only ignores would implement such a policy. Nevertbeless. It ought to possible to define and limit the circumstances in which com-mercial rules can be relaxed or abandoned. At the very least the taxpayer is entitled to know league. Does this mean £50m a more about the trade-off which, year, or £500m or what? according to Mr. Denis Healey, Ministers have said that the Chancellor of the Exchequer, leaked Treasury document prethe Cabinet makes between wider national considerations and the narrowly financial factoors discussed in the Treasury memorandum. What precisely clean now, not in five or ten are these wider considerations and how does the Cabinet weigh them against the expected financial losses of a project?

This is a particularly difficult issue in relation to the aircraft

Temptation

over contributions in constant price terms and the excess was not enough to provide a reason able allowance for interest. It is donhtful whether experience since 1971 has been any better. although it would be useful to have the figures; indeed, with Rolls-Royce and British Aerospace now wholly owned by the Government, the temptation to undertake non-commercial projects may well bave been increased.

The author of the 1975 study

looked at the effect of aerospace launching aid on employment, on the balance of payments and on the country's technological capability. While be admitted that the overall balance must be a matter of subjective judgment, be concluded that the net effect party political points, but, as their record in 1970-74 shows. had been a loss of national welfare. Today the argument for government investment in aerospace, especially aero-engines, might be put in a slightly different way. Here is a British company making engines which customers around the world want to buy. It is one of the few sectors of advanced engineering in which the UK is a world leader. To opt out of the business, by applying stricter commercial criteria, would be another irreversible step along the road to deindustrialisation. Coming clean

> also seems to imply that the Government should inject whatsents only one side of the picture. The public has a right to know what the other side is. The Covernment should come vears' time when the Public Accounts Committee examines the projects after they have been

Prices policy in practice

MR. ROY HATTERSLEY, the Prices Secretary, justified the Government's decision to retain the Price Commission when the TUC withdrew its support for the Government's pay policies 18 months ago on two grounds. First, it was necessary to assure the consumer that prices are not being increaesd when "there is no necessity for them to he increaed." Second, a surrogate for market forces was needed to encourage efficiency in areas "where the cold wind of com-petition is not blowing very ficreely.

Confession

It could be argued - and Indeed it was at the time — that in this second role the Price Commission would be fulfilling much the same function as the existing competition policy institutions, namely the Monopolies Commission and the Office of Fair Trading. Mr. Hattersley a defence was that these bodies moved too slowely, whereas the Price Commission could act more swiftly in the matter of pricing.

Price regulation is a legitimate weapon of anti-trust policy. It has been used before both here and in other countries (for example, West Cermany), although it is not particularly favoured both because it raises what are often acute conceptual problems and because continuiog resort to it is virtually a confessiou of failure for competition policy. Moreover, price restraint may itself discourage competition by deterring rival suppliers.

Conviction

The preferred courses are to promote greater competition by an abuse of a dominant position cause they are designed to competitive meaos. These are, however, inappropriate in the case of British Oxygen and the supply of industrial gases in cylinders, the subject of the latest Commission's

High entry costs deter new suppliers, heavy transport costs limit the scope for import com-petition, and the company has long abandoned the marketing practices which attracted the censure of the Monopolies Commission 20 years ago-the cessation of which belped to ease the way for Air Products. BOC's only serious rival, which now claims about 20 per cent of the compressed gas cylinder mar-

In its latest report, the Com-mission finds BOC an efficient company in many respects but nevertheless faults it for a failure to control staff costs and granting a productivity related pay increase without ensuring off-setting gains in efficiency. It believes there is scope for improvements which would raise the return on capital employed to the company's 10 per cent target on a current cost accounting basis, a target which the Commission considers to be perfectly reasonable, and accordingly recommends a 12month deferment of the proposed price increases—the first occasion on which the power to impose a 12-month price freeze has been used.

Denial Some of the figures cited by the Price Commission and its accounting advisers are vigorously disputed by the company and its auditors. The organisational and efficiency changes the Commission recommends were already in process of being implemented, as the Commission itself acknowledges in its report. Its criticism of BOC's management costs (which are a hy-product of the company's pursuit of growth are made with little supporting evidence. Its denial of BOC's and by hanning any marketing application for a profit safe-Practices that are tantamount to guard on the grounds of incorrect wording and inability to find a quorum would seem to maintain that position by unfair call for further explanation. And there is a concluding illogicality in the Commission's auggestion that a price increase should be allowed within the 12 months period If BOC bas

made serious progress in raising

The dangers of borrowing short and lending long

ONCERTED efforts are now being made within the building society movement to force societies to acknowledge that a serious, longer-term crisis confronts them and that they should take avolding action before it is too

late. Prophets of an impending catastrophe believe that most building societies, still basking in the warmth of their past and apparently effortless successes, are preferring to atick their heads in the sand and to disregard a series of ominous signs which should not be ignored any longer.

The consequences for the borrowing public of such irresponsibility—say those who are urging radical changes in traditional building society practices-will be an emasculated private housing finance industry, with permanent mortgage shortages and more expensive home loans. With-out some rapid action, they claim, the crisis is at most seven or eight years off.

The chief concerns are about the future ability of the societies to continue to attract the vast volumes of funds which in the past bave come their way gross receipts from savers and investors reached £15.8bn in 1978 against £6bn five years before — and about their diminishing success in retaining a reasonable proportion of the money they take in.

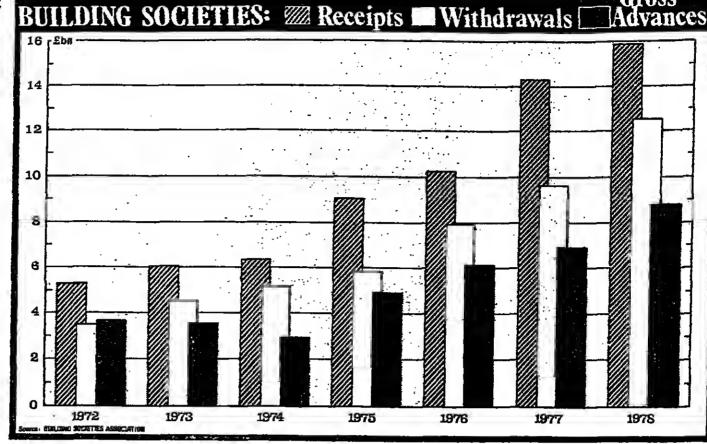
The problems of gathering and bolding on to sufficient money for lending out have been bighlighted by the latest situation, in which very high levels of advances are falling well sbort of meeting demand. But predictions suggest that by the mid-1980s societies may need anything up to £20hn a year to make 1m bome joans against the £8.5bn which went on 800,000 mortgages in 1978.

Whether or not the ratio of personal savings will be bight enough to supply funds of this size is far from certain, in spite of the prospects of a continued, high level of savings and hopes that societies will be able to maintain their share—over onetbird-of the personal savings Suggestions have been made,

notably in the Government's housing policy review, that in the search for more funds the the sum needed in 1970. societies might bave to look to-wards supplementary sources of finance, notably institutions like the life and newsian funds. societies might bave to look tothe life and pension funds.

loans from the money market although societies believe such a development would mean more expensive money and bring nearer the day when the strength of the service Bank of England controls which societies can offer. would rule their activities.

However some voices in the huilding society movement claim that many of its potential difficulties can be overcome without resort to such radical



funds, they emphasise that a big part of the solution lies in a reappraisal of their traditional

money-raising methods.

The growth in gross intake has been remarkable, but the proportion and volume of funds being taken out are rising at what most societies concede is

Disturbing trends

In 1950, only £13 of every £100 paid into the societies was withdrawn but by 1978 the figure had risen to £37. During 1978, withdrawals exceeded file. Fig. 50 and this year societies and this year to take in are expected to have to take in £15bn simply to equal with-drawals—seven and a half times

(23m now against 41m in 1970 via a network of over 4,000-branches) who bave in dramatic fashion recognised and utilised

more and more small savers and current account, the societies may have unwittingly contrived

problem in raising sufficient entirely new savings strategy can overcome,

While they have managed, with impressive facility, to sell investors the message of "good rates of interest, security and easy withdrawal" they have built a framework of financing which quite soon could prove unsuited to their principal role—the provision of home loans.

Societies have seen the averige savers' balance fall from £1,000 to £650 in real terms during the 1970s. It is estimated that 37 per cent of all their investment transactions provide the societies with only 11 per cent of their total halance

The trend towards smaller, husier accounts means higher operating costs, which lo turn limit the societies ability to pay higher interest rates for longerterm money without charging more. It also increases the total investment intake needed to finance any given volume of mortgage lending.

Today, it takes approximately the life and pension funds. building societies have grown, five investors to generate On a shorter-term basis, With an effective interest-rate sufficient funds to finance the loans from the money market "cartel", expansion has been average mortgage, compared could be used to fill the gap achieved by attracting a rapidly with under two in 1960. On left by fluctuations in the growing number of investors current trends, the ratio could general level of interest rates, (23m now against 41m in 1970 be ten to one by the mid-1980s. current trends, the ratio could The implication of this is that societies could fairly soon run out of potential investors. Thus market saturation could

be reached within six or seven But in actively encouraging years and, if branch expansion continued, the number of investors per branch would allowing them to treat their investors per branch would building society account as a fall, management expenses would rise and the societies would face the problems of action. While they accept that to create for themselves a set over-expansion now being the societies face a buge of problems which only an experienced by the clearing

money to finance mortgage

The only answer, according to some societies, is a complete reappraisal of the current loan interest rate structure, enabling them to pay less for short-term money in accounts with high levels of transactions while offering a premium for longerterm, more stable investments. To tap their traditional market more effectively rather than look elsewhere for funds is their partial solution to the problems ahead.

For years the societies bave been able to point to results wbich made a mockery of the theory that is was impossible to borrow short and lend long .. Therefore the question of change has occupied little uf their time. But now the old debate about the value and advisability of fixed-term shares

A leading activist

People like Mr. Alan Mason chlef general manager of the Provincial, is one of the leading activists in the current campaign to make societies take a long, hard look at themselves. The activists believe that term-sbares should no longer be regarded as the industry's "loss leaders.'

According to followers of Mr. Mason the countless small very narrow when compared current accounts, which make a with the spread of rates offered

banks. Also they would not mortgage demand, should be have anything like enough treated icss generously. Many of them, indeed, are simply accounts which have been opened in order that investors may themselves qualify for a

> Mr. Mason comments: "The societies are caught in a pincer movement involving rapidly escalating withdrawals and steadily increasing house prices We should be working now towards a restructuring of rates of interest to compensate savers and investors according to the value of their accounts." In calling for a widening of

> interest rate differentials, Mr. Mason points out that under current policies a £5 investment made for four days receives 8 per cent net interest while £5,000 lodged for four years attracts only one percentage point more. This differential is uncomfortably small and in it we bave sown the seeds of a potential crisis." is his warning.

His views are by no means universally shared within a sector which tends to sport its when under attack. But they are supported by some of the other major societies. Mr. Joe Bradley, a general manager of the Nationwide, recently called for more differentiation between longer-term investment money sums withdrawable on demand, saying that societies "pay too little for the former and too much for the latter."

The I per cent spread of investment rates, he said, was minimal contribution to meeting by other competing institutions. upon them,

He was not advocating a free-fer-all in rates. However, he added that he believed in a situation in which societies were prevented from paying appropriate rates of interest on long-term investments—because of a widening interest rate cartelwas to the industry's collective

disadvantage. Mr. Mason has been anxious not to push his colleagues in the huilding society world too far-too fast, but he is known to-think that the interest rates differential under a new system should be a wide one, with current accounts possibly attracting as little as 25 per cent net in-terest (against the current 8 per centl and longer-term investors hecoming the beneficiaries of such an adjustment. The growth in the number of small accounts must stop, he says, before they weaken the societies' position any further.

He believes sucieties will be future have to be far more aggressive in their fight for a share of the savings market, but he does not suggest that an alteration of the current interest rate structure is the complete answer to the looming problems. His thoughts so far, however, will be sufficient to generate substantial apposition within some quarters of the ludustry.

Well policed structure

Of primary concern will be the future for small societies and their ability to adapt to what could be fundamental changes in what has been a fairly well policed interest rate structure. Some societies, however, will feel disinclined to fight too strenuously in support uf their smaller rivals, many of which will in any case inevitably be overtaken and coosumed by future developments,

But just as Important, many societies may feel that what. Mr. Mason and others are sug- .: gesting will scriously undermine the industry's basis for success and help alienate millions of traditional customers who have welcomed the services they have been offered.

The societics would, if such a defection took place, have to decide whether their loss would actually matter or whether it would assist the societies" future progress. They may in any case be tempted to gainhle on the possibility that many investors would stay with them whatever interest rate deal they were offered, simply because they were potential bouse buyers who would require help with a loan as well

But as an officer of the Building Societies Association confided: "Most people in the in tustry would agree that something will have to be done, but it would need a major crisis to get such radical changes through council." The fight is on to convince societies that the "major crisis" is almost

Shying away from the hustings

The embarrassing debacle in Essex North, where the unfor-tunate leader-elect of the Tory delegation to Europe, Paul Channon, was rejected by the sat-upon constituency, has left no one with a smile on his face at Gentral Office.

While Channon, 43, has been espatched as an observer of the Rhodesian elections, Mrs. Thatcher has got no closer to hoosing a substitute leader, and none emerged as an obvious choice at the meeting of Conservative Euro-candidates in a London botel last weekend.

"The rest are fielding people like Willy Brandt. It matters a bit that you have fairly prestigious person leading the troupe," an anguished Tory eminence grise admitted to me vesterday.

Names such as Sir Fred Catherwood and Sir Henry Plumb float around as contenders, along with those of Lady Ellis, James Scott-Hopkins and Basil de Ferranti. But none has so far met with the favour



"Yon'll have to get used to it

of Mrs. Thatcher, who tried to under which hoth are deeppersuade Geoffrey Rippon to put in for a seat. However, Rippon s himself as something of an elder statesman these days, and was not, it seems, inclined to go

through the election process. Several constituencies were

be is not at the moment in Mrs. Thatcher's good books. I was unable to reach him last night : ha was busying himself with a speech for Cambridge University's Young European Demo-

Downbeat

The new contract just signed between EMI and Paul McCartney, with his group Wings, aounds like sweet music unless you pay close attention to the score. It is an exclusive, long-term recording agreement for all countries of the world, except North America.

EMI chairman Bbaskar Menon declared yesterday that the company felt "deeply privileged in our continuing association with Paul McCartney." What he omitted to say, however, was that the previous agreement had also covered North America (not an insignificant market).

This time. McCartney has signed up for North America with CBS.

Spoils of time Although the date of the long- right.

projected Carter-Brezhnev summit appears to bave been put off again, wags in the joke factories of Eastern Europe have not been deterred. One version of the meeting has it that the leaders reach agreement on SALT 2 and other outstanding problems but are then struck down by a mysterious illness. They agree aout that, too: their personal

survival is a key factor in future

frozen for 20 years in the hope that medical science will by then he capable of restoring them to health and vigour.

Twenty years on, Brezhnev wakes up, coughs, calls for the latest Pravda and hreaks into prevailed upon to offer him a delighted laughter, waking np place in their shortlists." But Carter, who asks Brezhnev to none was prepared to offer him a candidature outright. ... explain the joke. "There are no jokes in Pravda," replies the Rippon's interest waned and by now straight-faced Brezhnev. What I am reading is an account of yesterday's session of the Supreme Soviet of the American People." Carter calls for The Washington Post. To Brezhnev's surprise, Carter's pained look dissolves. must admit things bave changed a bit." says Brezhnev. "Sure have," replies Carter. "just look at this: 'Fresh fighting on the Finno-Chinese Border'."

ldeas man

Should the National Research Development Corporation be-come the innovative end of the National Enterprise Board? put this question to Sir Frederick Wood, who yesterday began his first day as chairman -part-time-of the NRDC. He thought it over and said he is in no doubt that the corpora-tion has a tong-term role in Britain. "But I do have doubts whether the NEB has a future."

Wood displays a great penchant for inventions and new ldeas. The NRDC has been in the news this week for wanting to give more state cash to inventors—if only it can find them. But he also insists that the economic climate must he

Personal tax is the higgest hane of the entrepreneur in Britain, be says. really harsh tax, stopping people from saving enough to get started on their own. But our capital gains tax is chicken-feed when compared to what they have in America."

When Woon came down from Cambridge just after the last war he was initially reluctant if the Scots win North Sae Oll:" relations. They draw up a pact to enter, Croda, the family

lanolin business. But be did. and led the way in changes there. In the next two decades he built up turnover, chiefly in aints and printing inks, from £209,000 to about £40m.

Then he did an eight-year stint as chairman of the National Bus Company. Why did he quit? "I found it too boring—no innovation."

Flowers in bed

The sex industry has moved on a long way since Germaine Greer. There is now a public avid to know what the plants get up to. Not that innocent business about stamens and anthers served up by coy teachers in infant schools, but the raw botanical "secrets of reproduction."

The man who saw gold in flower-bed passion is author Alec Bristow. His book, The Sex Life of Plants, comes out next month and it is such torrld stuff that publishers Barrie and Jenkins reckon they bave a bostseller on the stocks. Advance publicity speaks archly of the "promiscuous Water Lily" and the "sednctive Bee Orchid." I am told that the readers are more likely to be sex enthusiasts than ladies in country houses (these two categories may not be mutually exclusive, of course).

Newspaper serial rights have already heen sold in Bristow's fearless expose of sexuality io plants—sometimes "so peculiar that no form of animal life could have either the imagination or the equipment to copy them." Mrs. Whitehouse should ohviously be keeping a sharper eye on the berbaceous border.

Free advice

Card plnned to the coat of a street singer in Kensington; "Cet value for your money. Cive now before further inflation."

Observer



eccurately, then types it out from her braille shorthand. Good speeds, good page layout. Sandy says there's nothing special about that - and she's right. The fact that she's blind makes very little difference to her efficiency. Sandy got her job on ebility. And her ability won her promotion to personal secretary in an important Post Office department. That's the point. The RNIB trained Sandy at its Commerciel College, and any firm that employs a qualified blind person will benefit from the demanding and professional training that we at the RNIB provide. If you happen to be an employer, think it

over. We'll be pleased to hear from you. Over and above that, the RNIB needs your help, through legacies and donations, to enable us to train others like Sandy.

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POLITICS TODAY

Mr. Carter does good things badly

Asia." President Carter said the other day, "have touched off a national debate about what America's role should be in dealing with turbulence and in t-advocating a in change." trying to guide inevitable

rates. However, One cannot speak or what is the believed in happening inside the U.S. which societies we iexcept to say that those from paying an Americans who have been from paying ap Americans who have been of of interest on knowing their problems with them ments—because with them the concerns SALT 2. industry's collection of the whole lot. industry: collect and Vietnam or the whole lot. in has been there can be note to bis college, the intensity of the debate to his collegates at which the President referred at Rich world to cleast among the foreign policy sut he is known community.

the interest rates to But there is also a debate in inder a new Europe, and it seems to be as a wide one, with smuch about President Carter its possibly attrachimself as about America's role 122 per cent bat in the world. It is a dehate inst the current grabich breeds some strange ionger-term investalliances. Diaagreement between the beneficialia Chancellor Schmidt and the justment, The McAmerican President, though ber of small acceptatched up from time to time, be says. before seems to be endemic. Indeed it e Societies possis a hallmark of the Carter

Administration that it does not Administration that it does not we to be a Market done about the West Germans. The state of the same o not suggest the who from time to time speak up of the current man for themselves. Herr Hans Apel ture is the compresently the German Defence the location. Minister and nossible successor the looming prop. Minister and nossible successor hts so far note to Herr Schmidt, is a particular the postwar period had the U.S. sufficient to see object of American puzzlement. enjoyed better relations than

There is also the case of Britain. The loyalty of the the case of America's new-found policed present Labour Government to the Anglo-American alliance may never be doubted, and President Carter seems to bave scored something of a hit with nary convern withe Labour Left as well. But e for small sugunder the Tories it could be : ability to still different. A number of Con of the problem. Has America it in the past became as abdical established alliance such as

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"RECENT EVENTS, particu- servatives have made no secret larly in Iran and South East of their dislike of some of the Administration's policies-for example, on Rhodesia, and their dislike of some of Mr. Carter's officers, such as Mr. Andrew Young at the United Nations, is still greater. Again, Mr. Francis Pym, the "shadow Foreign Secretary" is a much more committed European than was generally realised at the time of his appointment.

Besides there has been a fundamental change in the Tory party towards relations with America. In the old days Mr. Harold Macmillan used to boast about his American connections. Indeed, whenever he appears on television, he still docs. Today- those connections no What is more, longer exist. even in the old days of the Tory-American relationship some signs of strain were apparent. The Tories could never quite get used to the idea of being "number two." It was a case of trying to play Athens to the American Rome. One donbts whether today, any such relationship could be even aspired to. A Tory Government now would seek a more equal relationship with the countries of Europe.

.There are other ways in which the change in attitudes towards. America could be illustrated. . The other day, for example, President Carter said himself that never before in l opposition. The vague feeling of mistrust tha Soviet Union with the three ters of the industries to be mutual. major Aslan powers — Cbina, India and Japan: There is also popularity among the non-aligned countries. They no longer attack the U.S. for intervening all over the globe. This is because the U.S. no longer

intervenes.



won new prestige among old tion of America's world role? worth it, for example, to win new respect in (say) Yugoslavia if the price is to stand idly by as the Shah of Iran passes from refusal to use military power in

enemies only at the expense of . President Carter seems to creating new mistrust among have been addressing himself old friends and allies? Is it to precisely those question in his almost daily speeches, interviews and Press conferences in the last two or three weeks.

An outsider might summarise power? Or, to put it more his position as follows: The crudely, at what stage docs a new American foreign policy is not isolationist, but it is nonareas where American admini- interventionist. It bas already Yet that perhaps is the root strations might well have used made moves to strengthen an

the same time it has entered new areas. The Carter Administration, for instance, is much noore actively engaged in diplomacy in Southern Africa than any of its predecessors.

The policy is, of course, much influenced by what happened io Vietnam in the past President Carter does not want to intervene in areas where the outcome is unpredictable and probably beyood American control.

around the globe, it has realised is one thing to deploy military ing: force, but quite another to produce the desired political result. Involvement another country's affairs produces more trouble than it is worth. And if the Soviet Union does not understand that lesson, then let it learn it from experience. Sooner or later, it will find that hy its interference in other countries or by adventurism in

That, in a way, is the paradox of "globalism." when the U.S. has the capabillty to act on a world scale, it decides that it is wiser to

So far. so simple. Yet what seems to have gone wrong is that the Carter Administration has discovered that there are parts of the world to which the theory cannot easily be applied, There are the grey areas, or what President Carter himself recently described as the twilight world of change and sometimes turmoil." How far can America afford to stand aside and see its friends forced out of office, even if there bas

vacuums which the U.S. can allow to be created? And eveo if in theory there are not, what about the reactions of America's remaining old friends who may think differently?

It is bere that the coincidence of events in Iran and the Middle East seems to have bad an effect on American thinking. If the Camp David agreements on the Middle East bad not come at least temporarily unsuck, the toppling of the But if one wanted to be philo- Shah might bave mattered less; sophical and take the long term or vice versa. As it is, one of view, it would co like this: At the more volatile parts of the the very time when America is world appears to have become in a position to intervene even more unstable. It may seem obvious, but it is none the the limits of interventionism. It less true, that people are ask-"If America won't defend the Shah, then whom will it

Military bases

realisation of this that led to the recent visit to the Middle East Dr. Harold Browo, the U.S. Defence Sacretary, and to foreign policies it has hitten the suggestions that America off more than it can chew. the suggestions that America was seeking to establish a military presence in the area. Those At the instant reports may have been exaggerated, but they were not entirely wide of the mark, as was confirmed by President Carter this week. "We have no desire to open military bases ... or to station American troops in Saudi Arahia." be told a Press conference on Tuesday. But he went on: "We do want to strengthen the combined responsibility and capability of our friends and allies who aeek moderation, peace and stability, to preserve the integrity of that

> That statement can be interposition. But, to be accurate, preted in several ways, which it is not realey a position: not is the trouble with many of the even Dr. Kissinger seems to That statement can be inter-

that in the aftermath of Iran the hawks in the Administration are winning and that the U.S. is going back to a policy of intervectionism. But another would be that the President is looking for an approach to the twilight world which America wisbea to keep stable, but which it knows it cannot control. Such an approach would fall short of direct intervention, hut would amount to more than doing

nothing when turmoil occurs. The point can be very well put hy comparing recent state-ments by the President with those of Dr. Henry Klssinger, the former Secretary of State. Carter frequently says that the U.S. "continues to be the most powerful nation on earth — militarily, economically and politically." Sometimes he adds "morally" into the bargain. Dr. Kissinger, however, queries the value of such power If it is not applied. In his interview with The Economist last month he went so far as to say that one of the great problems facing Saudi Arahia and the Gulf was the "growing perception of the potential irrelevance of Ameri-

dangers that these countries face." Dr. Kissinger bad suggested earlier in the interview that the combination of Soviet actions in Ethiopia, South Yemen. Afghanistan, plus the general perception of an American geopolitical decline, had the consequence of demoralising those whose stock-in-trade was cooperation with the U.S."

can power to the most likely

One suspects that, after Iran and the possible fallure of the Camp David diplomacy. President Carter bas moved somewhat closer to the Kissinger

NATO, and perhaps the been no formal alliance? Are utterances of President Carter. argue any more that the U.S. understanding with Japan. At there not limits to the political one interpretation would be should intervene all over the place and all of the time. It ia. more a matter of raising the right questions. Success, says Dr. Kissinger today, depends on "the subtle accumulation of nuancea." In other words, the debate is not about the geogral issue of intervention. It is about in which circumstances, at what level and how?

Selective

The ohvious answer is that iotervention should be selective, but of course that, too, begs the question. Which areas should the U.S. select? And should they be the same all the time? Even then, there is atill the question of the extent of the iotervection. Is the sending of the Sixth Fleet, for example, enough, or should it he pre-pared, and known to he prepared, to act?

In part, President Carter bas already supplied an answer of his own. He has selected NATO as an alliance to he strengthened because it is an alliance that already exists. But that is only the easy part. The rest of his policy seems to he still unclear both to America'a friends and to its enemies, let

alone to the people in between. Two comments have recently been offered, one hostile and the other rather less so. The bostile one, coming from a leading Republican, is that President Carter is "the President of splendid oscillation." The other — from a leading U.S. official—is that President Carter "does good things badly." One prefers the latter, but there is a good deal of explanation and geed deal of thinking still to

Malcolm Rutherford

Letters to the Editor

Autocrats and workers workers

Prinken 2-1 From Mr. D. Cochrone Sir. -- As an expatriate manager, I would appreciate the may in an opportunity of expressing a -eported comments of Prince evel of competence of British

> iffshoots, including Australia, is
> n the continued survival of the States and Sweden seem largely

It is not only the belligerence Frank Chapple with the vision frequently found as a side effect and, moré importantly, the in the dealings of the autocrat courage to speak out about the with the "workers," which ill-effects of trade union malserves to reduce management practices there would be some

his tools." The employees, blue not communicate enough. True. From the Group Troining or white collar, are the tools of But it is very difficult to com. Director. Aulesbury Industriol management, and the trade municate with those who do not union situation simply part of the scenario in which the manager bas to exercise his management bas advanced a judgment and make his deci- long way towards the unions sions. The responsibility is his, but the response has been disand if the result-is a mess he

petence for the answer. Britain now has an abundant supply of trained and efficient managers, but unfortunately few seem to have been able to break, sive governments. through to the top positions. Those positions remain occupied by people whose training and expertise is not in management. but in the particular industrial process or commercial field of tha undertaking concerned.

D. M. Cochrane. S. Dovilak Street, Como. Perth 6152.

Greater union militancy

Thirty years ago, just back today, from the forces, knowing every. thing about buman relations and precious little about industry I should probably bave agreed with bim. Today, 30 years on, experience has taught me that in the belief that this will the vast majority of our industrial ills can be laid squarely ance of the barriers between

ment has changed dramatically. itself. It is of necessity a long-No longer does it recruit ex- term strategy, and the process clusively from the privileged is not expedited by the continuclasses. Most of us have come ing existence of alternative lar buyer. from the shopfloor ourselves. education. Many of ns have received Pat Callaghan, management training in Univer- 6, Dudley Road, SW19. sity or management school. And while management is still not perfect, the best of it bears comparison with anything that is to be found elsewhere in the

noticeable change on the trade union side is their greater mili- Diamond Tools tancy, their further advance Sir,-Arthur Sandles-Why towards anarchy, and their class is behind "poor communigreater use of the methods of cation," February 27-bas got intimidation. They are still it absolutely right, but, I think, using the old 1890 slogans for only a very small part of the althnugh labour then got only whole, and bardly at all for about 20 per cent of the GNP manufacturing industry. whereas today it gets all of it In the latter, in which I've and there are no fat profits for worked for long enough to be the nulons to grab. They have reasonably certain, where there failed to perceive that their constant preaching of egalitarian-ism has destroyed the very reasonably certain, where the particular—bave to take into account. It would, therefore, be almost as almost as a sum almost as a sum of the very usually successfully bridged. In the particular—bave to take into account. It would, therefore, be quite wrong that he should not be required fairly to contribute

most proud. Now when one is a function of age, and of the and road improvements, includ union gets a 15 per cent wage age, and accordingly is narrow- ing parking facilities, that are award so must every other quite ing. Even when other forces then designed and constructed regardless of widely differing are not acting to narrow it. economic. circumstances in re-distribution of wealth is. differing industries. They appear That re-distribution may not be not to have noticed that the apparent outside manufacturing only way of making the cake industry, but it is to those larger is by people doing more within it: fewer and fewer work not less. Through decreas- managers, including those at the Tharles in regard to the general ing output and ever increasing most senior levels, can afford wages the unions have suc to put their children through

ceeded in pricing their members the sort of schooling that The problem, peculiar in the out of the market which is a creates the gap. increasing unemployment.

trade union leaders like Mr. competence, but it is equally the bope for us, but intil a few undesirable subjectivity of more Frank Chapples appear, I judgment which such an attitude do not see bow management There is an apt saying that same authority is reported to the inefficient worker "blames bave said that management dld

appointing in the extreme. The can only look to bis own com- fault does not lie with management but with the trade unions themselves, enconraged in their been by the actions of succes

> A. L. Beard. Woodfield, Sparken Hill, Worksop, Notts.

Alternative education

From Mr. P. Callaghan Sir.—The reactions of your readers to Prince Charles' apt remarks suggest that they bave overlooked the one real effort being made to change the "two cultures" situation which makes communication so difficult, not cold in industry but throughout Sir.—Somehody remarked the our society. Even Arthur other day that the unions are sandles makes no mention of it in his very

refer to comprehensive education, the purpose of which is to provide a common cultural background for children of all classes and abilitiea, gradually effect the disappearat the door of organised labour. classes, though it will of course In the last 30 years manage- never remove the class system

Cultural

In that same period the most From the Managing Director, L. M. Vnn Moppes and Sons

differentials of which they were any case, the width of that gap to the cost of the road system N. Yorkshire.

The problem, peculiar in the ont of the market which is a "There may be other long term restern world to Britain and its major factor in the decline of problems to be tackled, but I industrial investment and hence problems to be tackled, but I increasing unemployment. don't consider we should Truly it has been said if the depress ourselves still more by boss" complex, from which unions that they bave forgotten countries such as the United nothing and learned nothing. If about the cultural gap. If States and Sweden seem largely only there were a few more

> D. S. MacRae. L. M. Von Moppes ond Sons Diamond Tools. Basingstoke, Hompshire.

A management council

From the Group Troining

Group Training Centre. Sir,—It was interesting to read the views of Maurice B. Green, John N. Wates, G. S. Bachelor and Mrs. Joan Bachelor and Mrs. Joan Woolard, (February 26) about Prince... Charles's supposed attack on British management. Is it not time that all our professional management insti-

tutes/institutions got together

to form a management council like the TUC? We professionals who have to implement decisions taken by the CBI bosses and trade unions do not get a say. British Institute of Management has tried to go it alone but this not good enough. It is about time all management got together and had a voice to the Prime Minister and all Members of Parliament. Like the CBI and TUC the management council I advocate is not a trade union.

Gatehouse Close, Aylesburu.

Roads and

From Mr. D. Lindsay Sir,-The fair apportionment among all road users of the costs (both capital and recurring) of providing and maintaining the road system should in no way be dependent on the income status of each particular road user, as the recent Open University Report suggests, any more than sbould the cost of a rail ticket or green vegetables vary with the income status of the particu-

The justification for the fixed annual "rent" component of the current "two-part-tariff" method of charging for road use, like the justification for similar fixed "rents" in the systems used for charging for electricity, gas or telephone, is that the car owner, npon the issue of bis licence, immediately acquires an enorm-ously valuable privilege. It is right that be should pay just such a "rent," regardless of the actual use (for which he will pay a "weight/speed/mileage" component by way of petrol tax) be makes of the road aystem. Upon the registration of a motor vehicle in bis name the car owner becomes a "vital statistic" that planners-road plannera, in particular-bave to take into

David G. Lindsav.

Wealth on

Whitchurch-on-Thames,

From Mrs. M. Dovies Sir.-Mr. Frank Brown (Feb 27) suggests that the gifts presented to The Queeo and Prince Philip on their tour of the Gulf States he exhibited in West minster Hall. It is difficult for exhibitions, and if these well-deserved "Arabian Nights" gifts could be displayed in the museums of our main centres a much wider public could enjoy

(Mrs.) Marian Davies. Rhondda Rise, Heol Pont-Y-Gored. Creigiau, Cordiff.

Business and Europe

From the Prospective Liberal Euro-Candidate for North and

East Essex. Sir, - In the forthcoming direct elections to the European Assembly many candidates will be saying that the European adventure is no more than a big business carve-up.

Although plainly the Community is founded on free trade and free enterprise principles, it is a great deal more than that -indeed, if that were not so, I would not be too interested in its future. That goes, I think, for the majority of those who want to make a success of the Community and the forthcom-

It is, then, depressing to have to read some of the self-inflating advertisements and company statements which pepper most issues of your admirable paper. They usually contrast strikingly with the editorial content which invariably (and rightly) urges realism and moderation. What would a Socialist doctrinaire make, for example, of the current advertisements in your paper for American Banker? Under the heading "The more money talks, the more it has to listan" one reads this excerpt: "In American Banker big money buys big blocks. And at the high end of the line. Computers and computer companies. Cold-plated premiums and gold mines. Corporate images and corporations.

If the people who write that sort of copy really believe what they say, and if their clients are baopy with it, perhaps the mixed economy has had its day. I hope not, but I sometimes

Andrew Phillips. 89, Bradford Street, Bocking. Braintree, Esser,

Grounds for complaint

From Mr. G. Green Sir,-Clients of stockbroking firms caught in the lockout at the Bank of England are fortunate to be compensated. Those of us who posted applications first class post on Tuesday and received rejection slips postmarked Thursday have real grounds for complaint. G. H. Green 10, Esplanade Court.

GENERAL UK: Result of devolution refer-

ndum in Scotland and Wales. Mr. Denis Healey, Chancellor of the Exchequer, meets members of Trades Union Congress general council to discuss TUC's econo-

mic review. UK official reserves (Fehru-

Capital Issues and redemptions (February). Call by unofficial shop stewards for national 24-hour total ambulance strike in protest against pay

Civil Service unions meet Lord Peart, Lord Privy Seal Employees in the four big Laureate, launches 150th anoi-

Today's Events

banks in Ulster begin two-day versary of the London bus cele-British Airways expected to

sign formal contract with Boeing of the U.S. and Rolls-Royce for liners worth £400m including

Japanese import promotion mission continues tour of UK. Mr. Anthony Wedgwood Benn, Energy Secretary, at Labour Party meeting, Manchester Unl-

Sir John Betjeman, Poet

hrations, Guildhall,

Lent Sermon by Cardinal G. B. Hume, Cardinal Archhishop of Westminster, St. Lawrence Jewry next Guildhall, Gresham Street, E.C.3, 1.15-1.45 pm.

Sir Kenneth Cork, Lord Mayor of Loodon, attends Walbrook Ward Club luncheon, Cutler's Hall, Warwick Lane, EC4, 12.45

Lecture by Mr. John Schofield on London in the Dark Ages, Museum of London, London Wall, EC3, 1.10-1.45 pm.

Overseas: Socialist Party Congress opens in Lishon, Portugal. COMPANY RESULTS

Final dividends: George Oliver (Footwear). Rea Brothers. Interim dividend: Bogod-Pele-

COMPANY MEETINGS

CGSB Holdings, Etherstone Avenue, Newcastle upon Tyne, 2.30. Thomas French, Old Trafford, Manchester, 12.30. Gough Cooper, Bromley Court Hotel, Bromley, Kent, 12. Plastic Con-structions, Abercorn Rooms, Great Eastern Hotel, Bisbopsgate, EC, 12. Warner Estate, Howard



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DIVIDENDS ANNOUNCED

payment payment

of Date

April 27

May 2 April 11

May 29

April 21

April 30

May 18

July 2

May 5

dividend 12.4%

Royal lifting

£20m to £t53.6m.

interests, net profit for the year advanced 17 per cent from £74.7m to £87.7m.

increasing its dividend for the year hy 12.4 per cent in "gross"

terms—the 61st major insurance

composite to improve its pay-

The 6nal is 11.50 per unit which

accounts bave been audited.

dividend policy of the group was

that of a steady progressive rise in payments. The new rate is

covered just over three times. There was a alight drop in

the sterling value of premiums written from £1.24bn to £1.22bn.

The 1978 figure was depressed by

about £25m following the change of the reinsurance division into

If allowance was made for

these changes and for changes in the exchange rates, the underly-

brought into account.

EMI to cut dividend as medical side takes toll

tions at EMI continus to show ing an unchanged interim dividend of 3.41p net, the directors are forecasting a cut to the final nayment—tast year's final was 5.97p. serious tosses and while announce

During the six months group sales moved ahead from £443.31m to £480.09m and pre-tax profits sbow a £0.69m advance at £20.6m. Stated basic earnings per 50p sbare improved from 6.9p to 7.4n and fully diluted from fl.4p to

The directors report that while results of music operations, especially in the U.S., are satisfactory and most UK activities are making progress despite diffi-cult trading conditions, the out-look for the second half year remains uncertain. Group taxable profit last year amounted to £25.97m.

Time will be needed to restore medical operations to profitability the directors state. to the U.S., the largest single market for these products, government intervention to curb spendeffective. Meanwhile, competitioo out the world is bardeoing.

These two factors contributed to toss of volume and together with major expenditure on the new model programme resulted in the aforementioned deficit

A breakdown of first half sales £000s omlitted) abows; music £264,106 (£22f,629); leisure £76,145 (£63,087); TV £34,326 (£28,683); medical electronics £22,681 (£40,293) and other electronics £82,832 (£84,614). Taxable pro6t was struck after

bigher interest of £8.6tm (£5.86m) and was subject to lax of £10.73m (£10.77m). After minorities of £1.08m (£0.99m) and extraordinary credits of £18,000 (£118.000), lhe altributable balance came out st £8.2m (£7.65m).

yesterday announced a £5m turn-

round to losses of £2.38m for the

year eoded September 30, 1978,

is considering closing down its

Australian operation at a cost of £2.5m in the current year, accord-

ing to Mr. Paul Tspscott, the re-

ressels, of which 27 are tied up.

A further one-for-five scrip issue

Basic earnings per 25p share

are abown at 29.7p against 23.1p and 28.1p (21.9p) fully diluted.

The directors say the reasons for the dividend increase are

The increase in published net

earnings of over £1.1m would bave enabled a dividend some

30 per cent higher than 1977 to be paid. This increase is attribut-

able particularly to the improve-ment in UK pretax profits against

which significant brought forward

Secondly, the dividend cover

tax sllowances were avsilable.

is also proposed.

cost around £2.5m to withdraw, including some £0.6m operating

tiring chairman.

HIGHLIGHTS

Dividend shocks dominsted the equity market yesterday with EMI indicating that it will probably not be sble to bold its psyout this year while Hoover announces an actual cnl. Continuing big losses on medical electronics are undermining EMIs performance and Lex looks at how this msy develop in the second half. Hoover still faces strong pressure from imports of washing machines and profits for 1978 have tumbled. Elswhere, Lex looks at the issues of the increased Sime Darby offer for Guthrie and briefly considers prospects for new gilt-edged issues, possibly today. Johnson Matthey comes forward with a £19m cash call and Royal Insurance produces a strong final quarter with the result that it can increase its dividend by more than a tenth.

NCR profit surges to £12.2m

PROFITS BEFORE tax of NCR, a wholly owned subsidiary of NCR Corporation, U.S., surged from £3.85m to £12.2m for 1978, including an exceptional £1.9m surplus as a result of the sale of its rights to future royalty income on the sale of coated paper. The directors say the result reflects the recent investment in new products, sales of higher unit

value equipment and continuing product and overhead cost reduc-Turnover rose almost £1m to £76.65m, of which exports accounted for £22.6m (£22.5m),

and trading profits came out at £10.38m (£3.15m). During the year, the company hought £5.47m of the £6m 81 per cent gusranteed loan stock 1993t998 for £4.25m. This stock has been cancelled and the £1.15m gain is sbown as an extraordin-

Mr. Tapscott revealed that the

subsidiary, British United Trawlers, British united Trawlers, British's major fishing fleet operator, incurred a loss of

£3.5m during 1977-78 (profit

tries on a common fisheries

British Vita payout raised 50%

reinforce, and the increased pro-portion which UK profits repre-sent of total profits, reflects tha

board's policy to attain a proper balance between bome and over-

tories maintained production throughout the road haullers' dispute. The disruption caused

will bowever have affected profit-ability. The sctual and contem-plated increase in prices of oil and naptha feedstock will inevit-

ably threaten margins.

Nevertheless, with the benefit of the spread of the group's operations the board is deter-

mined that 1979 should be no less satisfactory than the past year in terms of performance.

calculation takes into account the whole of the group's share of the profit of Vitafoam Ntgeria notwithstanding only 20 per cent in the profits of that company have been consolidated. The relevant

seas earnings.

Associated Fisheries has had an at around £6.8m.

AF may close in Australia

tring chairman.

f3m). This was principally due
The decision, which will be to reduced fishing opportunities
aken within the next month, in customary fishing grounds, be

depends on whether the directors go shead with a plan to refit the UK trawling fleet, which could cost up to £0.5m per ship.

At present AF has a fleet of 77

Ratcliffs

PRE-TAX profit growth slowed in the second half of 1978 at Ratcliffs (Great Bridge). The first balf abowed an increase of £133,700 at £817,200, whereas the second balf added only £14 100 to the improvement and left the full year figure ahead from £1.64m to £1.79m.

momentum

loses

The directors say that the company bas made an insuspicious start to the current year and a profit sbortfall is forecast for 1979.

a separate company. Also, be-cause of minor changes in accounting dates for the UK and Turnover for 1978 declined from £40.55m to £38.43m and tax for the period took £822,400 Republic of Ireland husiness, an extra £15m of premiums was compared with £774,500.

The second interim dividend is 1.3683p net raising the total payment from 1.9159p to 2.1183p. The directors report that Canadian earnings increased by 27 per cent in dollar terms, reduced to approximately ten ary item.

Attributable profits emerged sterling due to lower exchange ahead from £0.88m to £7.26m, rate prevailing.

problems at home coinciding

with heavy losses in Australia.

While the pre-tax deficit was not

too far wide of market expecta-

tions, the hig shock is that losses

are continuing in Australia and that the company might be

forced to close down the opera-

llon at a cost of £2.5m this year. Clearly, AF will be forced to go

ahead with its expensive refit

programme at home given that no satisfactory deal has been

reached on a common fisheries

last night, valuing the company

overseas contribution, mainly a reflection of Zambia's troubled

economy, only abows a slight improvement. The UK side,

enabling group profits to advance

hy more than a tenth. High consumer spending has spurred demand from furniture and bed

manufacturers while the robber

companies, burt by the slump in

the tyre industry, now appear

to be finding new markets. This year donbts over raw material

prices pose a question mark over

prospects and the group may well look to the new segnisition,

ing growth in premiums was 6.7 per cent—a rate lower than the group normally looked for. The improvement in underwriting results came mainly from the U.S., the group's major operating country, with better results in Europe and in the UK. In the U.S., profit advanced from £0.2m in 1977 to £10.5m last year with improvements in all major AF has a fleet of three ships unhappy year, with the con-operating off the west coast of sequences of unresolved political

Profits were achieved on all the property lines, while losses were eliminated on general lishility husiness and reduced in aulomobile and workers' compensa-tion. On this latter business the premium increases granted were still moderate. Operating conditions were still

UNDERWRITING PROFITS up 70 per cent and investment income up 7 per cent resulted in 1978 being 96.3 per cent against 99.8 per cent in 1977. The group is looking for a maintained 1978 meanly 1978 of Royal in 1978. After tax and minority downturn in the cycle. In the UK, underwriting profts advanced from £10.3m to £12.7m despite the adverse weather

As a result the company is experienced in the first quarter Commercial business contributed a useful profit, but there were losses on motor business. housebolder account was close ment by more than 10 per cent. to break even.

The 6nal is 11.50 per unit which The company had recently

together with the interim motor and contents insurance, the already paid makes a total of latter rise baving been delayed for as long as possible. It bad achieved considerable success in its campaign to get policyholders viously. This increase is subject to iodex-link their sems insured. to Treasury approval which can The UK householder account only be obtained after the had been severely bil by this winter's very bad weather resulting in water damage from hurst The company could have increased its dividend by an pipes as a result of the extreme amount in excess of 15 per cent cold. Already the company in the under Government rules. But first two months had paid out Mr. Daniel Meinertzhagen, the chairman emphasised that the large paid out in the first quarter of 1978.

The company's efforts to cut losses in the Netherlands started to pay off last year when losses were reduced from £4.8m to £0.5m. This was the main factor in European business showing s small profit of £0.2m against a previous loss of £4.8m.

Competition in Canada was extremely severe and there were some large fire losses, resulting in profts being cut from £7.2m

Royal Iosurance has come

comment

through with a very strong per-formance in the final quarter, and as a result has been able to increase its dividend by more than a tenth. It is probably the only composite able to do so. The group remains confident about the ootlook for 1979, despite the UK's bad weather experience in the first quarter. In the U.S., il is looking for a plateau in its underwriting performance rather than a suddeo rush downhill. Its strengths there include a below average exposure to motor business, where competition is probably keenest at present, and a hig slice of workmen's com-pensation business, which is still benefiting from big rate in-creases last year. Overall profits in 1979 should he modestly higher: the yield at 370p is a well covered 77 per cent.

Diploma ignores cut price war—up 26%

Mr. Tapscott said yesterday that if it was decided that such expenditure was necessary, the company could probably not afford to carry the Australian venture, which was incurring heavy start-up costs.

In 1977-78 the deficit in Australia amounted to £1.6m. The chairman estimated that it would chairman estimated that it would chairman estimated that it would company heavy start and the said there was no sign yet strain on the company might feel justified in cutting the Australian losses, although the long-term prospects rationalisation of the company.

In the circumstances, no dividend in the meantims AF was forced to implement a major rationalisation of the company might feel justified in cutting the Australian losses, although the long-term prospects which whole problem clearly rests with compared with a total of 3p net overall policy emerges, the prospects for AF are hleak. The shares closed 5p lower at 39p last night, valuing the company cutting in a highly competitive for the full year are not quite as market. Diploma, formerly Diphright Interim profits are up 26.7 lona Investments, expanded sales per cent but the full year increase is likely to be up by only

facturing divisions produced a solid performance.

Up to the present time the effects of the national labour PROFITS before tax up from following the following follo industrial actions have not been too crippling but undoubtedly have caused many problems and greater expense in several of our activities," Mr. Christopher activities," Mr. Christopher Thomas, the chairman, comments.

The tax charge was ahead to £1.36m (£1.06m) but having £1.36m (£1.06m) but having bought some minority interests during the six months, the minority profit was lower at f102,000, against £133,090, and earnings per 25n emerged up from 8.14p to 10.8p. From these a higher net interin dividend of 1.5p (1.2452p) is paid. Last year a final of 2.6056p was paid from record surplus of £4.6m. Bank balances continue to rise and the directors are boyeful of enhancing cash flow and ultimately dividend payouts.

On the distribution side
Robert Lee plumbing fittings distributor, turned in good results

and its market continues to look favourable, narticularly in the home improvement sector. Despite fewer bousing starts, I. G. Lintels lifted profits to near the full year level. Gravesend and Eastern Countles both made a recovery but Williamson Cliff is still struggling

in the denressed refractories sec-tor. Newly acquired infinitial Scaffolding performed strongly. pulting round from factoring its debts to bolding unborrowed bank halances,

20 per cent from £15.08m to crease is likely to be up by only £18.15m and pre-tax profit by 25 per cent to £2.59m, against £2.04m, for the half year to December 31, 1978.

The company's distribution scivities further raised their market shares despite a price war, especially in electronic components, and most of the manufacturing divisions produced a in the interim and the prospects. in the interim and the prospects, should the Treasury agree, of at least a similar increase in the final. The shares jumped 8p to 340p yesterday giving a a prospective p/e of 9.8 and a yield of 5 per cent.

Tesco confident of increase

MR LESUIE PORTER chairman of Tesco Stores (Holdings), told sharebolders yesterday that it sharebolders yesterday that it was too early to anticipate the full year's results exactly but the Board was confident of achieving a satisfactory increase over last

In a letter accompanying the interim warrant in respect of the 24 weeks trading to August 12 last year, Mr. Porter said the first balf's net profit margin was maintained and this was particularly satisfactory alone substantial costs arising on the opening of eight stores were absorbed in the period. - A further six stores had been opened since then, at Fiochley, Hackney, Neath, Paisley, Portsmouth and Yeovil. Additionally; the group bad opened four Bake 'n' Bites, the new fast

food shops, in the Gloucester store and separate units at Bristol, Farnborough and Putney. Tesco had succeeded in overcoming the problems brought about by the industrial disputes over the last few months and bad It was a good first balf for over the last few months and bad maintained its share of the prices under pressure and the bleak weather affecting its build country.

St. Piran hits back

which has been subjected to such a lot of criticism for nearly a year, hit back yesterday at its detractors.

Mr. Douglas Allen, the new director appointed receoutly with responsibility for public relations, said yesterday that he latious with responsibility for public relations, said yesterday that he

Mr. Douglas Allen, the new director appointed receothy with responsibility for public relations, said yesterday that he suspected a group of critics want to break up Saint Piran, with Dundonian taking the mining interests.

Dundonian is a public company, two of whose directors have joined in requisitioning an EGM at Saint Piran to throw out the Board. The Dundonian men are Mr. M. R. Lewinsohn, the chairman, and Mr. R. H.

Saint Piran also claims there are close connections between like the move to appoint a com-Dundonian and some of the plete new Board.

requisitioned. If it is called, the Board is confident the share-hotders revott can be repelled. "Most of our sharebotders are very happy," said Mr. Allen yesterday. "They are happy with the profit performance in recent years and with the share price."

He claimed that many share-holders had rung op the com-pany expressing their support for the Board. The supporters apparently included some share-holder who had restrictly hear apparently included some snare holders who had previously been way service areas and "we are nesults of the Board but did not pleased that the report conwould bave been substantially like the move to appoint a comtained many of the recommendate better but for reduced sales in tions which we had put forward Australia and New Zealand. Sales

Hoover dives to £5.3m. and set to axe more jobs

Assoed, Fisheries Australian & Intl. Int. British Vita

Diplomant.

Rateliffs 2nd int. Rentokil

Rentokil
Rights & Issues
Royal Insurance

S. Lylesint. Thomas Walker int. 0.17
Trans-Oceanic int. 22

raise productivity.

Earl int. 3.41
Hoover 6.39
Law Debenture 3.5
London Shop Prop. int. Nesco Invest. 2nd int. Prestwich, Parker int. Ratchiffs 2nd int. 1.37

SALES VOLUME improved in 1978 for Hoover but severe pressure on margins both at home and abroad persisted. As a result there was a further decline in taxable profit in the last three months from £3.62m tn £1.15m. leaving the fulltime total sharply lower at £5.3m, against £12.24m. Also the net total dividend is cut from 14.82p to 12p.

Half the profits came from overseas operations of the group, which produces domestic electrical appliances. Turnover for the 12 months was 11 per cent up from £191m tn £212m.

The contribution from the 50 per cent owned associate Hoever (Holland) BV reached £831,000 (£706,000) and exchange losses this time amounted to £338,000, against £1.48m.

Trading profit, which for the year totalled £5.64m (£13.72m), showed a small advance in the fourth quarter but was still well below an acceptable level, the directors say. reorganisation

A reorganisation and rationalisation programme is under way, as known, and this will continue until profit margins have been restored they state.

Mr. Gwynne Lloyd, managing director, said later, that provided there were no industrial problems outside the Board's control "the current year must be better than last year, and 1980 should be better still."

He pointed ont that over 1978 though costs rose 12 per cent prices rose an average of 8 per cent. He expected consumer spending to be quite strong in the first half of 1979 and the company was pushing hard for more price Increases. A 4 per cent rise became effective yester-

Further redundancies are to follow the elimination of 535 jobs in Wales, Scotland and at head office, be warned. The group is concentrating on reducing its higgest cost—manpower—while seeking to produce the sams volume from fewer people

Dividends shown pence per share net except where ntherwise stated.

• Equivalent after allowing for scrip issue. i On capital increased by rights and/or acquisition issues. i Tu reduce disparity. and less space. Some £7m is Arnott to be spent on equipment in

1.5

Corre- Tutal spending for t div. year

0.91 2.57

Total

1.78* 3.95 9.39 14.52 4.5

Hantil

fold :

Meanwhile the company has deferred the introduction of major new models to beyond Stated earnings per 25p share fell to 15p (25p). The net total dividend is cut to 12p (14.82p) by a finot of 6.39p and costs £2.38m (£2.94m). The directors expect to maintain this level of dividend until trading pages.

dividend until trading profts return to a more satisfactory tax charge of £2.33m A tax charge of £2.33m (£7.26m) leaves net surplus for the year at £2.97m (£4.98m) of

the Dutch associate retained £701,000 (£223,000 reduc-Since recovering in 1975 to

profits of £20.42m, against a previous peak of £21.3m two years earlier. Hoover's surplus slipped back to £16.98m in 1976. See Lex

advances £2.78m

PRE-TAX profits of Arnett and Co. Dublin, men's shirts and tailoring, advanced from £2.19m to £2.78m in the year to January 13, 1979, on higher turnover of £33.34m against £28.25m. After tax of £1.16m (£0.91m), earnings per £1 share are shown higher at 35.84p against 28.97p.

The net final dividend is lifted from 6p to 7.5p plus tax credit. making 12.5p (10p), Pre-tax profits were struck after interest of £169,000 (£201,000). Mloority interest takes £94,000 (£77,00).

At the half way stage, taxable profils had increased from £608,000 to £722,000.

ISSUE NEWS

Johnson Matthey seeks £19m

A 1978-79 profits estimate of vestment Company, through its underwritten by S. G. Warburg "not less than £20m," compared UK subsidiary, Barnato Brolbers, and Co. and the brokers are with £18.9m last time, and a and Anglo American Corporation Phillips and Drew.

which represents a 53 per cent.

For the ninc months to end increase over the previous year. Detember, 1978 profits increased Lord Rohens, chairman, notes from £13.37m to £14.45m before that the capital commitments at tax of £7.06m (£6.73m). According

of the rights issue, together with retained earnings, will he used to support this programme. Lord Robens says this will leave medium and short-term banking facilities free to provide the growing working capital needed to finance increasing activity and rising metal prices.

A total of 10.film new Ordinary shares of £1 each will be offered on the basis of one-for-four al Johannesburg Consolidated In-

of South Africa, which beneficially own around 23 per cent and net is announced by Johnson ally own around 23 per cent and Matthey and Co., the precious 5 per cent respectively of Johnsen all and engineering group. son Matthey, will take up their metals and engineering group.

The directors propose to pay s
5.9p net final dividend on the
increased capital. This will give
a total of 8.5p or 12.686p gross,
which represents a 53 per cent
increase over the previous year.

Lovd Roberts

The directors propose to pay s
full allotment. Another major
shareholder is the Prudential
Assurance Company, with 5.6 per
cent.

For the ninc months to end
increased Roberts

The directors propose to pay s
full allotment. Another major
shareholder is the Prudential
Assurance Company, with 5.6 per
length of the propose to pay s
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shareholder is the Prudential
Assurance Company, with 5.6 per
length of the propose to pay s
full allotment. Another major
shareholder is the Prudential
December, 1978 profits increased

the dale of the last accounts ing to Lord Robens, the improved were in excess of £22m but results one the outcome of infollowing the completion of 1978- creased activity both at home 1979 hudgets, the company has and abroad in many sectors of decided to commit a further the group's business, particularly precious metals. nd the current

comment

Johnson Matthey needs new-funds for capital investment at a time when the working capital requirements of its builton dealing business, inilated by the high prices of precious metals, are taking more than their fair share of overdraft facilities. The recent strength of the shared makes a rights issue attractive for the company, and share holders get the benefit of a 35 per cent dividend increase which house which the state of the stat hoosts what was very much a sub-standard yield. The high price of metals is a nuisance to out the high volur year, Lord Rohens says that of trading it has gensrated prospects must depend on the should be a distinct asset. With recovery rate of some of the this in mind the profit figures world's 'more depressed econo- are not exciting although the mies. Nevertheless, following forecast for the year may imply the capital investment pro- profits of around £21m pre-tax gramme, and given steady and trading in the group's trading conditions, "we are con- chemical, refining and mechanical fident regarding the iong-term prospects of the group."

At February 9, 1979 group horrowings totalled £64.29m, including £7.5m secured loans.

The rights issue has been chemical, remning and mechanical product division, which has been division, which has been product division, which has been division division, which has been division division division, which has been division division division, which has been division division division.

S. Lyles recovery: preferenc scrip issuee

WITH A major recovery in first-half profits, the directors of S. on preference scrip issues as a some 51.7 per cent of their Lyles are forecasting a jump in way around dividend controls, entitlements. the full-year dividend and are payments on such issues now proposing a preference scrip have to be offset against the

Profits before tax for the half-year ended December 31, 1978 recovery rules it is able to pay jumped from £107,072 to £452,678 a bigher ordinary dividend in on sales higher by over £11m at addition to the preference pay£6m. Though the interim diviment, which will amount to the dend is unchanged at 2p per equivalent of 0.5p per ordinary share the directors expect the trading progress of tha first-balf receive payment on the ordinary trading progress of tha first-balf receive payment on the ordinary to be maintained in the second, and preference amounting to 6p and they intend to pay a final

ordinary payout.

-an increase of over 20 per cent. and they intend to pay a final dividend of 3.5p.

Last year the company, a carpet yarn spinner, paid total dividends of 4.9888p per share from pre-tax profits amounting to £392.790.

But in the following year, ending June 1980, there will not be any scope to increase the ordinary dividend beyond that paid for the current year if dividend tegislation still exists in its

MIDLAND BANK STATISTICS .

Statistics compiled by Midland Bank show that the amount of "new money" raised by the issue of marketable securities in the UK in February was £96.3m, compared with £110.2m in the corresponding month of 1978, but a considerable increase on the previous month's total of £32.3m.

The bulk of the February to £392,790.

The directors intend to make a scrip issue of \$63,190 11 per cent Cumulative Preference £1 sbares on the basis of one preference share for every 10 ordinary held.

dend tegislation still exists in its present form.

Shareholders are being given the opportunity to sell the whole or part of their preference shares way of rights, the largest heing through the company's broker, williams de Broe Hill Chaplin.

The directors intend to make figure was accounted for by eight company issues totalling way of rights, the largest heing through the company's broker, williams de Broe Hill Chaplin.

The directors intend to make figure was accounted for by eight company issues totalling way of rights, the largest heing through the company issues totalling the opportunity to sell the whole or part of their preference shares way of rights, the largest heing through the company's broker, by the Rank Organisation (£64.7m) and Taylor Woodrow (£18.5m).

Granada upward trend to continue LORD BERNSTEIN, chairman of the Granada Group, tells ahare hotders in his annual report that he expects the performance barked on expenditure of over in these countries have now improved.

he expects the performance across the group as a whote to he expects the performance across the group as a whote to continue its upward trend.

The broad spread of interests and assets belps to maintain a generally favourable balance of performance and this ability to spread risk across a wide spectrum gives atrength and flexibility, the chairman says.

For the year ended Septrember 30, 1978, the group reported record results with nrofits up from £25.15m to £34.02m. A one-for-four scrip issue is also proposed.

On TV rental in the UK, the

chairman says showrooms were increased to 444 and 13 were re-

increased to 444 and 13 were resited. Some major new products have been test marketed in readiness for a wider market.

The chairman regrets that at present yideo cassette recorders adonted." tha chairman says.

The costing canacity at some hardware and software are not generally compatible, a factor which must affect adversely the marketing of these products. The group welcomed the Government Inquiry into motor-

on TV rental in the UK, the says it is hoped the Government will reconsider sume of the creased to 444 and 13 were reideas expressed. "The plans put

The seating capacity at some of the group's bingo clubs have been increased and more clubs are expected to be opened this

At Barranquilla Investments, there will be substantial rent reviews in future; starting with a major one in June. The group accounts show con-tracted capital spending at £8.53m (£6.38m) including television sets of £6.02m (£5.06m). Authorised spending is £18.03m (£14.15m) Including television aets of £14.5m (£10.73m). Meeting, 36 Golden Square, W. March 26 at 12.30 pm.

> Brasilvest S.A. Net asset value as of 28th February, 1979 per Cr\$ Share: Cr\$30,705 per Depositary Share: U.S.\$12,744.37 per Depositary Share (Second Series): U.S.\$11,967.75 per Depositary Share (Third Series):

U.S.\$10,184.70 Per Depositary Share (Fnurth Series): U.S.39,514.67

£50.83m to £60.44m.

now in Saudi Arabia

VATTENTEKNIK, the largest Swedish company in water treatment with over 40 years of experience, manufacture swimmingpools with accessories and all kinds of water conditioning for households, industry and municipalities.

MTC Modern Trading & Contracting Est., Department: Water treatment, CR 8303, Tel. 43522, P.O. Box 4643, Riyadh, Saudi Arabia.

of £10m. Earnings per 10p share are

Rentokil expands 24% to £10.5m

AN INCREASE of 23.6 per cent in taxable profits from £3.54m to £10.56m for 1978 is reported by Rentokil Group, specialist in timber preservation, pest control, damp proofing, thermal insulation and industrial hygiene. Turnover rose 16.9 per cent from \$50.52m to \$50.644m. The extraordinary debit of £223,000 (£778,000) comprises net exchange differences arising on the translation into sterling of net assets overseas.

Turnover 5000 60,440 50,834
UK homs 21,268 26,260
Exports 1,082 915
Overseas companies 70,559 8,543
UK 128 3,400 2,956
UK 27,159 8,587
UK 28 3,141 2,339

Water treatment

At balf-way, when pre-tax sults at Rentokil. This, the profits advanced from £4.01m to biggest and fastest growing £5.05m, the directors expected division, is based on regular full-year trading profits in excess visits to clients, such as botels and restaurants, in accordance with renewable contracts. The shown to be ahead from 5.09p to 6.3p, and the net dividend total is lifted to 1.87p (1.611p) with a final of 1.15p.

with renewable contracts. The With renewable contracts. The shown to be ahead from 5.09p to UK building aervices division also bad a good year as did subsidiaries in France and Germany. In Sweden the performance was In Sweden the performance was not quite so good and in Australia results marked time. A major acquisition in the U.S. in May did not materially add to the 1978 figures (overseas companies bave a September year end) but, with the American pest control market bigger than the rest of the world, the company is boilding a base for considerable profits in the future. The dividend is up by more than 10 per cent but it could have been more under the maximum cover rules. The shares rose 1½p Strong profits growth from the UK pest control and bygiene division was again the power-bouse for increased group recover rules. The shares rose 14p to 734p giving a p/e of 11.4 and a yield of 3.9 per cent.

The directors say the UK fac-meanwhile, has enjoyed further ories maintained production recovery following earlier tosses,

SCHLESINGER GILT FUND

Schlesinger Gilt Fund, a Jersey-based trust in tha-Schelsinger unit trust group, is to be listed on the London Stock

The fund, an open-ended com-pany run un unit trust tines, invests lo exempt gills,

St. Piran, the controversial tin shareholders who have been commining and construction groun plaining about Saint Piran. These which has been subjected to such

Morley.

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Tilling pays £11m for U.S. insulation group

largest Industrial bolding groups BOARD MEETINGS yesterday added to its recent string of U.S. acquisitions with the US\$22m (£10.9m) purchase of Clecon Incorporated of Clevelland, Ohio.

Clecon employing 650 workers manufactures insulation products which generate around 70 per cent of group sales and claims to be the largest U.S. distributor of aluminium foil and other thin gauge metals.

In the year to March 31, 1978, Clecon achieved salea of U.S.\$44m (£21.8m) and pre-tax profits of U.S.\$3.75m (£1.8m). The group has plants at Cleve-land. Buffalo, St. Louia, Atlanta. Tustin, Houston Minneapolis and Tilburg in Holland.

where otherwise is sue. On to Mr. Francis Black, Tilling's P issue. On to 5. # To reduce disfinance director, said that the acquisition had been made at an ideal time, when the U.S. faced with a mounting fuel bill was becoming increasingly conclous of the need to conserve energy. Mr. Colin Draper, president of substant Thomas Tilling Inc in the U.S. cinated. said that Clecon would bring the group into the important

Hawthorn Baker share sale

blin, men disc. Two Major shareholders of the current chairman of Wellworths and Mr. On higher to the current turner of precision goods for the printing industry, are planning to sell their combined holdings, to sell their combined holdings, the per \$1 \$1500 Mg. Two proposed transactions are the current printing industry, are planning to sell their combined holdings, the per \$1 \$1500 Mg. Two proposed transactions are subject to the current printing industry, are planning to sell their combined holdings. to sen their companies which represent 54.4 per cent of the group's equity. final divided by On the Stock Exchange the

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The twn principal sbare bolders are Mr. H. J. Colman, the cbairman and managing director. e half-way the and Mr. J. Thomas, a former joint managing director and now a non-executive director.

sixties. They said yesterday that Kuper they believed that now the already position of the company has been improved and its prospects are more assured, the next stage of development should be in other

for their shares who will continue to develop the business and who will be invited to extend the same offer to all other share holders.

An aimouncement regarding an acceptable offer will be made

it is not anticipated that this will be for some weeks.".

335 tons and the main sources

According to Samuel Montagu's Annual Bullion Re-

view, 1978, the Soviet Union sold

a record 430 tons on the free market in 1978 and the U.S.

Treasury, which began to sell gold last May, had disposed of 126 tons by the end of the year.

If the U.S. continues to sell

gold at its current rate it will add another 560 tuns in the cur-

rent year. By contrast Portugal. which bad been a big supplier in the past, cut its sales from

sharp jump in U.S. gold coin imports. They rose from 45

by around a third to 310 tons.

cluding India), however, fell by

40 tons to an estimated 330 tons and Far Eastern demand dropped by 15 tons to 210 tons.

Total demand for investment

purposes jumped by more than 80 per cent to 335 tons.

The other notable festure of

the gold market in 1978,

according to Montagu's, wes

the enormous growth in volume

and open positions in the U.S.

gold futures market which bad

Middle Eastern demand (in-

111 tons to 63 tons.

writes Our Financial Staff.

BY KENNETH MARSTON, MINING EDITOR

YEAR investment de- en New-York's Comex was run-

mand for gold, much of it ning at between 230 and 380

than 70 per cent to an estimated Less than 2 per cent of the 335 tons and the main sources turnover is effectively delivered,

The most significant change if the dollar recovers and some on the demand side was the of the speculative positions are

tons to 120 tons and overall far since Central Banks and

North American demand rose other - modetary authorities

Union

At the end of the year the company profits should improve. Mr. E. Pavitt, the open positions at the two main the company profits should improve. Mr. E. Pavitt, the company is annual challenged in the company profits should be company profits.

U.S. futures exchanges exceeded statement, published today.

of new supply were the U.S. which underlines the specu Treasury and the Soviet Union tive nature of the business.

speculative, jumped by more tons by the year end.

The following companies have notified dotes of Board mannings to the Stock Exchangs: Such meetings are usually held for the purpose of considering dividends. Official indications are not available as 10 whether dividends are interins or finals, and the sub-divisions shown below are beard memby on last year's timetable.

TODAY Interims: Bogod-Polepeh, Helical Bar, Jarvis. Firtals: Allen Harvey and Ross. Rience Trust, Hanny Nerrington, eurge Oliver, Rea Brothers, Squirrel

FUTURE DATES Elder Smith Goldsbrough Mort Mer.
Scholes (G. H.) Mar.
Scottish Crice Invest Trust. Mar.
Sunger Krien Mar.
United City Merchants Mer. Finals—
McCleary L'Amie Mar. 9
Mew Equipment Mar. 2
Solicitors' Law Stationery Mar. 24
Tavaner Rutladge Mar. 2
Westwood Oewes Mer. 3
Willia (G.) Mer. 5
Woodwerd (H.) Mar. 7

substantial growth was anti-The acquisition takes Tillings spending on U.S. purchases to 552m in the past 14 months. The

About 40 per cent of the workgroup had set aside a £100m sum for its U.S. expansion programme which has now reached

the balfway slage. Mr. Black said that the group had drawn up a shopping list of compenies they would like to buy but the timing of purwould depend individual circumstances. This purchase is Tilling's seventh major acquisition in the U.S. since the group launched its

expansion programme.

The sequisitions have been in several fields including medical supplies, electrical goods and insurance. Two of the purchases have been ip new areas for Tilliog: air filter systems with the takeover of Clarkson Industries and supply of equipment to the oil and gas industries through Norvell-Wilder Supply Company. Tilling's major setback in its
U.S. plana was its failure to
acquire the Yale lock and
security business of Eaton Corporation. Negotiations broke down after a disagreement on price. Eaton eventually sold Yale business to Scovill ufacturing for U.S.\$55m Manufacturing for

IN SOUTH AFRICA Alexaoder Howden Group and Hill Samuel Group (SA), propose to merge their South African insurance broking and pension consultancy interests.

Wellworths Stores and Bazaars. South African company already 80 per cent owned by Howden, is to acquire for sbares the incurnon-executive director and now ance broking and pension consultancy interests of Hill Samuel

Both men are in their late Group (S.A.) At the same time Insurance already a wholly owned Howden operation, is being acquired by

hands."

Kleinwort, Benson, the merchant bankers, have been instructed to find a purchaser sach. This indicates a total valuation of their shares who will contion of R3.245,000 (£1.905,000).
For Kuper, Wellworths is issuing 1.845,000 new shares with a total value of R2.029,000 (£1,190,000).
On completion the total issued The group announced its halfyear results yesterday which
showed a £149,000 turnround into
profit Taxable profits for the
six months to November 30, 1978
were £96,379 compared with a
loss of £52,200, on turnover, of
£814,600, compared with £524,800

Loss of £52,200, on turnover, of
£814,600, compared with £524,800

£814,600, compared with £524,800

The group announced its halfcapital of Wellworths will obtainesses would provide better
opportunities for expansion.

Due to an agency error yessamuel Group (S.A.) bas agreed terday's report implied that the
to sell to Alexander Howden deal bad been completed.

BROOKE BOND

TN BELGIUM

Brooke Bond Liebig bas

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Due to an agency error yessamuel Group (S.A.) bas agreed terday's report implied that the
to sell to Alexander Howden deal bad been completed.

BROOKE BOND

TN BELGIUM

Brooke Bond Liebig bas The groun is expecting that change its name to Alexander taxable profits for the year ending May 31, 1979 will be not less than £180,000 normared with a loss of £11,893 in the previous year.

and Insurance Holdings for the year to March 31 1979 are fore-cast at R800,000 pre-tax cast at R800,000 pre-tax ff470,000). Kuper's pre-tax propre-tax as soon as possible, although. fits for 1978 amounted to R500,000

MINING NEWS

which underlines the specula-

sees a consinuation of "very volstile conditions" and does

not anticipate a reduction in

th erecent level of heavy specii-

lative activity. The merchant

bank anticipates that IMF and

U.S. Treasury sales will con-

tinue at around recent levels

although if the gold prices con-

tinue to rise mounting political pressures may force the 11.S. Treasury to cut back its sales.

Any such reduction would require delicate timing." Montagu believes that even

liquidated the price of gold will not be allowed to fall too

would step in to absorb offer-

UC Investments

to earn more

RIDING ON the crest of high

gold and platinum prices, UC investments, the South African

investment company in the

Corporation

expects this year to receive a

bigher dividend income. Overall

In the current year Muntagu

subject to a number of regulatory and other consents.

Alexander Howden Group
cbairman, Mr. K. V. Grob, said
yesterday "This is a further development in the expansion of Alexander Howden's overseas retail broking Interests. The combination of Alexander Howden and Hill Samuel in South Africa will create a strong and growing insurance broking and

DUCKHAM/KERAX

pensinn consultancy organisa-

wenworths.

Consideration for the acquisition from Hill Samuel Group
(S.A.) of Hill Samuel Pensions
and Insurance Holdings principle to pay £325,000 cash to acquire a 49 per cent stake in Kerax Holdings which manufactures protective wax coatings for the necessity was coatings. the packaging industry.
As part of the deal Duckham

is to merge its own wax coating operations into Kerax. The two groups said that a merger of the businesses would provide better

BROOKE BOND

Brooke Bond Liebig bas acquired a 76 per cent interest in the capital of Etabl. P. Demelre of Antwerp, Belgium, for a consideration of BFT 283,000 (chemical parts). The compares with a cast of the capital of Etabl. P. Demelre of Antwerp, Belgium, for a consideration of BFT 283,000 (chemical parts). The compares with a cast of the capital of Etabl. P. bigber at 105p.

Arrangements base beautiful parts of the capital of Etable price which closed yesterday 70 bigber at 105p. for a consideration of BFr 283,000 (about £175,000). The Demeire family retains 8 24 per cent interest in the company

trading bouse. BBL intenda to develop through its UK-based subsidiary will be for some weeks. Mr. M. Schapiro, the present BBL Commodities, the green Meanwhile consideration is to chairman of Hill Samuel Penceffee trading of Demeire on a be given to the payment of a sions and losurance, will become national and international basis.

value of the company's portfolio.
This bolding is to be increased

that UC Investments could pay

UK SILICA SAND

OUTPUT RECORD

A record production of 120,000

tonnes of silica sand was

schieved last year at the mine

The mine, at Loch Aline, is the

only deposit of bigh quality

cretaceous silica sandstone being

Corporation unit.

Moss workers to fight **GEI** takeover

force of Moss Engineering have given support to the management in its fight sgainst a falm take-over bid by GEI International Unions at two of the group's main trading subsidiaries at Warwick and Merthyr Tydfil, South Wales, have written to the chairman, Mr. Ernest Cars,

pledging their support.
Mr. Tal Lloyd, the Sooth Wales
divisional organiser of the Amalgamated Union of Engineering Workers said "the employees of Moss Gear were bigbly delighted at the rejection. Having supported the company to overcome past difficulties, it is felt that they should resist this offer to demonstrate coofidence in the future."

He added: "Should Moss Engineering succumb to this takeover bid the work people will regard it as a total betrayal of their confidence and would with-draw their co-operation."

At the group's Wallwin Pumps operation at Warwick, part of the sewage and effluent division, the Amalgamated Union of Engineer ing Workers shop steward, Mr. J. V. Wareham, bas told the Moss Board, "we have found in cause for complaint with the present Moss management. After care-fully considering the facts we are unanimous in offering full support to the Board in their objection to the takeover."

HAWLEY LEISURE

Hawley Leisure bas acquired Sbarps Bedroom Design, a company manufacturiog and installing custom-built bedroom furoiture, in a deal worth around £261,000. Payment will be made in the form of £125,000 cash, 157,895 ordinary 5p sbares and £71,053 nominal 12 per cent convertible unsecured loao stock 1986/88.

Sn far some £133,000. including £25,000 in cash, has been paid, and the balance, payable in instalments to July 31, 1980, is denendent on Sbarps profit totalling £202,500 for the two years to the end of April, 1980. For the six months to October

31, 1978, this company oroduced

pre-tax earnings of £49,674 on sales of £905 671. Its net assets WAX COATING DEAL at that date amounted to £43,986.
Alexander Duckham, the engine oil and inbricant subsidiary of from the hoard of Hawley, following the sale of 0.6m of the group's shares by Renwick-Skelsey Hold-ings in which be bas an interest. Of these shares 0.5m have been placed with institutions.

Renwick-Skelsev retaips 0.33m (5.3 per cent) of Hawley which is to be held as a medium term investment the directors say.

COMET/CALEDONIAN
Sbarebolders of Caledonian
Holdings who accept a cash offer
from Comet Radiovision Services

any or all of the 25m Comet shares to be issued under the terms of the offer, st 93p per

which is a well-known coffee sbare. Caledonlan's closed 3p higher at 145p last night, valuing the company at £14.5m, compared with for sale price tag of £6.5m

Good quarter

Gold investment demand up 70% (£7.06m) and dividends were 42 cents (24.6p) a share.
The greater percentage of UC Investments' boldings is in gold and platinum, including a bolding of 2,488,400 sbares in Winkelhaak, the Evander gold producer, which accounts for 25,48 per cent of the market value of the company's positions.

things.
Reflecting higher copper prices and a four-fold increase in those of cobalt since mid-1978. Nchanga has made a net profit for the December quarter of K10.8m (£6.86m). This leeves the company with a profit for the nine months to December 31 of K15m compared with a loss of K20.7m

This bolding is to be increased by 149,200 sbares, worth £1.2m at yesterday's closing price for Winkelhaak of \$14p. Winkelbaak is obtaining perpetual mining rights to ground it is already using in part but which is owned by UC investments and Acaela Corporation, another Union Corporation unit. Although the recovery in the metal price has produced a turn-The arrangement for payment involves Winkelbaak issuing 180,000 new shares—an increase round from losses in profits on the Zambian copperbelt, the mines still bave major problems. They suffer from a shortage of of 1.5 per cent of its issued capital—of which the greater portion goes to UC investments.

Meanwhile Mr. Pavitt has foreshadowed a participation in skilled labour - mainly in expatriates-couoled with a lack of foreign exchange which is adversely affecting the condition and develonment of the mines. the new uranium-gold operation, Beisa Mines. Union Corporation is offering UC Investments a stake but bow large has not been And transport problems are affecting both imports of machinery and soares and specified. Mr. Psvitt anticipsted exports of metal. Nehanga notes that it is larging behind in con-tractual sbinments of copper as a with funds retained from net profits or by selling investments. UC · Investments shares in London were 262p yesterday. result of the transport difficulties but adds that the reopenium of the southern evnort route via heaur to make a significant contril·ution.

operated by Tilcon Loch Aline on the Sound of Mull, Argyll. tion groun's Rermindare sistered Minerals and Resources Corners Roan Consolidated Mines.

for Nchanga

FOLLOWING THE sharp improvement in fortunes of Roan Consolidated Mines reported for the December major State-controlled Zambian copper mining group, Nchanga Consolidated Copper Mines, also announces a return to better

in the same period of 1977.

comment

Meanwhile hath commanies

have considerable accumulated dehts and no early return to the dividend list can be expected. The Anglo-American Cornorstion bolds 49.9 per cent of Zambia Copper Investment which, in turn, owns just under 40 per cent of Nchanga and 12 25 per cent of

For the year to last December worked in Europe by under-set profits were R1207m ground mining techniques. 890 tons double the amount in the first half. Weekly turonver net profits STROKE I CAUGHT THE 8:15

group,

Preliminary Results from Royal Insurance

هكذامن الأحمل

FINAL DIVIDEND

The directors propose to recommend to the stockholders that at the annual general meeting to be beld on 10th May 1975 2 final dividend be declared of 11.5p per 25p unit of stock to be paid on 18th May 1979. This proposal representing as it does an increase of over 10 per cent in the total distribution for the year is subject to Treasury approval which cao only be obtained after the accounts have been audited. With the addition of stockholders tax credit this is equivalent to a "gross" dividend of 17.164p. The dividend will be payable to stockholders registered at the close of business on 12th April 1070 business on 12th April 1979.

This together with the inlerim dividend of 7.272p (10.854p "gross") already paid will make a total distribution of 18.772p (28.015p "gross") per unit of stock for the year 1978 — an increase in "gross" terms of 12.4 per cent — compared with 18.599p (24.921p "gross") for 1977 locluding the supplementary dividend for that year paid on 2nd Jennery 1979.

ESTIMATED RESULTS The audited accounts are due to be published on 17th April 1979. Preliminary unaudited figures for the year 1978, with the comparable figures for the year 1977, are as follows:

	£m	£m
General Insurance Premiums Written (see note 1)	1,220.1	1,235.5
Underwriting Profit	26.3	15.2
Long term insurance profits	4.3 120.5 2.5	4.3 112.0 2.3
Share of Associated Companies' profits		
Total profit before taxation	153.6 65.6	. 133.8 . 56.3
Profit after taxation	8g.0	77.5 2.5
Adjustment under Canadian Anti-Inflation Regulations Minority Interests	0.3	0.3
Profit attributable to the Company	87.7	74.7
Supplementary dividend for the previous year (pence per nnit)	0.2	(49.Sp) 0.2
Dividends for the year	28.2	(0.137p) 24.7
(pence per unit) Provision for Employee Sbare Scheme (see note 2)	(18.772p) 0.5	(16.448 _p)
Transfer to Retained Profits	5g.8	49.8
The geographical distribution of the general insurance business and of the nudarwriti	ng results was	as follows:

Year 1978 Year 1977 Underwriting Premiums U.K. and Irisb Republic (sec note 1) Canada Europe (Ex U.K. and Irisb Republic) 101.5 Other Overseas (see oote 1) 26.3 1,220.1 1 235 5 The operating ratios for the USA on the UK basis were: 1977 Claims as % of earned premiums Expeoses as % of written premiuma Operating ratio 99,2

The corresponding ratios on the U.S. statutory basis were In the above figures foreign currency bas been converted according to our normal practice at approximately the average rates of exchange ruling during the period. The principal rates were:

1977 Canada \$1.56 \$1.57 \$2.19 \$1.68

Netherlands

Note (1) Premiums written in 1978 have been depressed by approximately £25m in the Other Overseas category as estimates of unreported inward reinsurance business under proportional treaties are no longer included. Only the figures actually reported in the accounting year are now included. This change follows the conversion of the Peinsurance Division into a reparate company, the Beyni Beinsurance Company Limited. Because of minor changes in the accounting dates for the LIK and Irish Republic business an extra £15m of written premiums has been brought into the secounts.

If allowance is made for these changes and for changes in enchange rates the underlying growth in premium income becomes 6.7% as against an apparent decrease. Subject to the surrement of stockholders at the annual general meeting ! is proposed to introduce an Employee Share Scotte under the provisions of the 1975 Pinance Act on a hasis related to salary with a maximum allocable to any individual of £500 worth of stock.

UNDERWRITING RESULT

The underwriting profit of £25.3m includes a benefit of £0.7m arising from the change in accounting dates referred to in the second paragraph of Note 1. It was, bowever, adversely affected by £1.8m due to changes in exchange rates. In the USA all major lines improved to produce a significantly better underwriting result. Profits were achieved to all the property lines. Losses were reduced in automobile and workers' compensation and eliminated to general liability. In the UK, there was another good result with commercial business contributing a useful profit. There was a

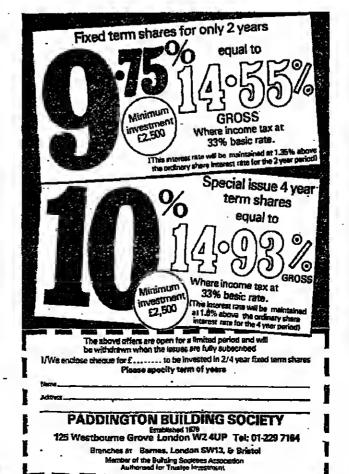
In Canada the lower underwriting profit was attributable to the increase in competition in all lines and to increased claims frequency in the personal automobile line.

- In Australia intense competition and nur refusal to write husiness at what we consider to be uneconomic rates caused some loss of business. Whilst profits contioued to be earned in workers' compensation and motor business, the housebold account produced severe losses. In the Netherlands the underwriting loss was reduced from \$4.8m to £0.5m. The other European countries produced a profit of £0.7m compared with the breakeven result of last year. As a result there was a substantial overall recovery

to a small underwriting profit. In Other Overseas results overall were profitable although at a reduced level. INVESTMENT INCOME

The effect of the changes in exchange rates adversely affected investment income by £8.7m. The underlying growth of investment income was 15.2 per cent.





THE LONG-TERM CREDIT BANK OF JAPAN, LIMITED

U.S.\$ 40,000,000

Floating Rate Certificates of Deposit Maturity Date 8th September 1981 Managed by

Manufacturers Hanover Limited

Nippon European Bank S.A. In accordance with the provisions of the Certifi-

cates of Deposit notice is hereby given that for the six month-interest period from 5th March 1979 to 5th September 1979 the Certificates will carry an Interest Rate of eleven and one half per cent (11½%) per annum.

> Reference Agent Manufacturers Hanover Limited

McDonnell Douglas shares active after Foster deal

the centre of considerable of the move through market speculation on Wall Street sources. McDonnell would not yesterday following news that it had acquired 4.9 per cent of Foster Wheeler, the engineering and process plant manufac- has acquired 5 per cent or more.

McDonnell is refusing to comment on the purchase hut is given special significance by the aerospace company's avowed determination to diversify ioto the areas of energy. information system and auto-

mated laboratory procedures. One runiour tantalising Wall Street arbitrageors is that McDoonell may be seeklog a friendly takeover agreement at \$50 or more a share. Foster Wheeler's price climbed 1; 00 the New York Stock Exchange on Wedoesday to close at 351.

McDonnell's purchase was for util confirmed by Foster Wheeler dustries.

MCDONNELL DOUGLAS was which said that it had learned

is something with which Foster Wheeler has been living for some time. The company's earnings have shown impressive growth over the last three years, rising from \$20.6m in 1976 to

last year 10 \$1.4bn, thaoks largely to overseas demand. Outside North America, the utility

offer for McGraw-Hill

McGraw-Hill, which has been lying dormant since it was launched on January 29, finally ancial conglomerate officially withdrew its offer.

made its first move to acquire McGraw-Hill, it ran into ferocious opposition from the publishing company's board. It then improved the terms of the deaf from \$34 a share to \$40 a share, with the condilion that It would only go ahead with hoard approval.

The move was widely seen shareholders and force the McGraw-Hill to a takeover hld.

sudden resignation of its chief

executive Mr. David Foster,

Colgate - Palmolive yesterday

announced a major reorganisa-tion of its top management,

bringing in a whole new level of

succeeded Mr. Foster announced and

Banking

Lord Chalfont: How to

ALSO IN TODAY'S ISSUE

FINANCIAL NEWS AND COMMENT

WEEK IN PERSPECTIVE CITY REPORT

SHIPPING-COMMODITIES
MONEY MARKETS

PERSONAL FINANCE

Published by Fleat I mancial Publishing Limited.

trade with the Chinese

ent of three new

divide responsibility between participation,

senior executives.

need to make a formal dis-closure to the Securities and Exchange Commission until it

The possibility of acquisition

\$41.12m (\$5.01 per share). Revenues climbed 25 per cent company has a plant in the UK and its main activities centre on the design and construction chemical plants and oil refineries and the manufacture of steam generating equipment and marine in-

American Express drops

Neither American Express nor McGraw-Hill have emerged from the abortive bid situation directors could face a grilling at at company's annual meeting next month. The company is also under preosure to produce financial results justifying its refusal of a \$40 a share bid.

> Express's top management bas failed for the fourth time with a diversification move via a proposed acquisition, and is widely seen to have misjudged

U.S. MOTOR INDUSTRY LOOKS ABROAD

Latin America for growth prospects

UNAVOIDABLY, the activities of General Motors during the past weck give the impression that the world's largest automotive company has just woken up to the opportuoities in its own backyard. First, there was the purchase of Chrysler's assets in Colombia and Venezuela and then, nn Toesday, the annuoncement of a major expansion of its facilities in Mexico at a probable cost of several hundred million dollars.

GM is not 8 company which publicly spells out its corporate plans in capital letters, but this sodden drive into Latin America is almost certainly part of a new emphasis on foreign development within the corpora-tion. Substantially larger than Ford Motor Company within the U.S., GM has hecome both resentful and envious of the dominant position overseas which Ford has consolidated over the past 14 years.

It was GM. after all, which first placed its flag on foreign soil after much heart searching in 1925, when it acquired Vauxhall in the UK and then, four years later, Adam Opel AG in West Germany. Moreover, the main components of its overseas empire, Opel, Vauxhall, GM-Holden in Australia, and several plants in South America have been in place since the late

1940s. The only problem has been that they have been con-spiceously less successful than many of Ford's more " lohnny come lately " developments in the same areas, which have been a steadily growing affront to GM's management pride.

In the UK, for example, Ford of Great Britain has consistently outperformed Vauxhall Motors. thanks not nnly to a more determined investment policy, but also to superior management expertise. Discussing the pro-hlem last year, one very senior GM executive lamented: "They have been very much more successful than us at building cars in the UK to Detroit standards. We are still trying to learn the occret."

By contrast, GM has certainly been more successful at wring-ing a profit out of its North American operations in the past few years than Ford, whose profit margins and product mix in the home market are oubstantially weaker.

However, GM has a real job

to do abroad. Significantly, its total factory sales outside North America do not trail its domestic rival by a large margin. Last year, overseas sales of cars and trucks totalled 1.75m, which is about 79 per cent of the 2.23m Ford would have sold but for its nioe-week UK strike,

which cut factory sales to 1.96m. capital investment programmes But last year, Ford's overseas production, which accounted for 20.3 per cent of its total vehicle output including North America, contributed 48 per cent of its

in the U.S., necessitated by government fuel and environmental regulations.

Mr. Philip Caldwell. Furd's:

vice-chairman, sald recently that his company saw no more \$1.58bn not income and 30 per that his company saw no more than of its dollar sales. CM's than 2 per cent annual growth

General Motors has long cast envious glances at overseas performances by its major rival, Ford Motor, and developments over the past week indicate it has decided to make a strong push into the South American sector

overseas factory sales, by con-trast amounted to 18.4 per cent 1979 and 1987, "while the of its total car and truck sales, 17 per cent of its dollar sales unent should be 3.7 per cent." per cent of its dollar sales but only 8 per cent of its earn-

Although GM's overseas income last year of \$296m was 17 per cent higher than the year before, its growth in recent years has not kept up with the expansion of domestic profits, and as a proportion of total

Latin America, Asia and the

Pacific should achieve even faster rales of growth, and this partially explains GM's recent announcements. The company has been taking a hard look at its South American business for two years, and has gradually been trying to acknowledge its

units and its position seemed

unassailable. Venezueta, hawever, should leads both the car and truck markets, and its retail sales rose
Mexico, requiring compensating
10 per cent to 69.1m last year,
following a 23 per cent growth is imported. The American markets, and its retail sales rose
10 per cent to 69,100 last year,
following a 23 per cent growth
in 1977. Late last year, Furd
completed a \$17m two-year
expansion programme which raised its production capacity

by 50 per cent. GM's production capacity in Venezuela, of just over 40,000 units, was bursting at the seams. and the addition of the Chrysler plants will rirtually double its capacity and put it in a strong position to maintain something approaching its 23 per cent growth rate in Venezuelan sales

last year. Ford leads GM in Mexico, where Detroit's Number One is planning a very large expansion of its engine and vehicle pruduction plants. But again, GM put on a better performance last year, achieving a 50 per for earnings growth and a in a market where Ford was sale of 158,935 last year (up source of funds for their huge selling more than twice as many 22.7 per cent).

Latin America may be fair growing automobile markets they also tend to be subject to Venezueta, however, should be a different proposition, they also tend to be subject to following the purchase of specifying locally manufactured specifying locally manufactured as the case of content, and, as in the case of manufacturer also has to adjust his operations to much lower rolumes than those to which he is accustomed in the U.S. and

Europe. Neither Ford nor GM will reveal what sort of a return on assets it is earning to South America, but both figures are ondoubtedly low, and they were certainly sufficiently marginal to convince Chrysler that two of its businesses were no longer worth the effort.

Latin America accounted for 11.2 per cent of Ford's Over-seas earnings of \$705m in 1977; GM lost \$5in in the same year and the Argentinian liquida. tion is reflected in unofficial estimated losses of about 200m last year. In Europe, despite 1 mudest 4 per cent increase in volume sales, carnings climbed from \$277m to \$376m. The South Americau market has a long way to go before it will make that kind of contribution to the balance sheet of either company.

THE \$1BN takeover hid by McGraw-Hill directors to drop American Express for publishers their opposition. launched on January 29, finally unscathed, however. It is lapsed yesterday when the fin- anticipated that McGraw-Hill's When American Express

The shares currently are selling around \$25 a share.
For its part, American as an attempt to try and rally both its own strength in making support among McGraw-Hill the offer and the reaction of

BARELY A month after the them for most ut the company's

operations.

Reshuffle at Colgate

BY OUR NEW YORK CORRESPONDENT

Mobil Oil bids \$475m for raw materials group

oil company, last night took a further major step towards previously authorised Mobil diversification with the an-preferred stock. nouncement of a \$475m bid for a Texas raw materials and

energy company. said that It had reached agreement in principle to buy Bodcaw Company of Dallas, a little-known but sizeable producer of wood products ment last night.

MOBIL the second largest U.S. and oil and gas. The deal will oil company, last night took a be financed by the issue of preferred stock. The deal bas still to he

approved by the Boards of both companies and Bodcaw's sbareholders. Very little information is pub-

licly available about Bodcaw. The company itself refused com-

Alcoa reopens smelter company

BY OUR NEW YORK STAFF

aluminium producer, decided to re-open part of a smelter it previously closed down because of its high fuel costs. The move is a further The new group vice-Presidents indication of the tightness of will take charge of three broad areas of Colgate's operations which will reduce the number of increases for the metal:

senior executives reporting directly to the chief executive Ingot production will resume executives.

Keith Crane, who officer, spread decision making of Alcoa's Point Comfort, Texas, and responsibility among smelter, capable of producing additional top executives and about 60,000 tons a year. Alcoa vice-presidents who will allow more management by

ALCOA, the largest U.S. announced at the beginning of has February due to chaos in the

The point about the Texas smelter is that it runs on natural gas, an expensive fuel compared to the hydro power driving other facilities. Analysts believe that Alcoa would not have reopened the plant unless it expected to derive high revenues from ingot sales.

Most aluminium producers have recently jacked their simultaneously ended the bar pound. Alcoa's prices are curoo new orders of ingot it rently 4-5 cents below this.

Harold Wilson on

Honours for Businessmen

Bangor Punta wants more Lone Star

PITTSBURGH-Mr. David W. Wallace, chairman and president of Bangor Punta Corporation, said the group would like to own as much as 100 per cent of Lone Star Industries Inc. At present it has a 5 per cent interest.

The company is contemplating the sale of 56,000 acres of California farm land

vained at \$60m to \$70m. Capital expenditures for 1979 should increase to \$30m from \$24.6m in 1978. These expenditures will be derived from earnings "which means our dividend policy will be a modest one for some time to come," he said. AP-DJ

Sears Roebuck sales decline

By Our New York Staff

SEARS. ROEBUCK, largest general world's retailer, vesterday reported a 9.1 per cent drop in sales in year ago, while some of its rivals claimed gains of up to 38 per cent

This is the second month in a row in which Sears has been the odd man ont, but this may he less significant than it

Last February, the company scored a 14 per cent sales advance which meant that its \$1,22bn sales was the highest monthly total for the Moreover, since then the has drastically company . Its

strategy away from wide-spread promotional price cutting which boosted sales hnt seriously eroded profit The benefits of this change

are expected to appear in quarter to be earnings sbortly, which should indicate an improvement in margins and an overall rise in 1978

Meanwhile, other panles reporting February sales yesterday included J. C. Penney, up 8.4 per cent, F. W. Woolworth (for the month ending February 20) up 12.8 per cent, Montgomery Ward, up 10 per cent and Wal-Mart Stores up 38 per Wat-Mart Stores, up 38 per

By and large, retail sales will probably show only a modest gain after adjusting for inflation over February last year.

CANADIAN IMP. BANK OF COMMERCE

AMERICAN QUARTERLIES

Fire1 querter		1878
Revenue	CS 1bn E	75.Sm
Net profits	50.08m 4	2.42m
Nel per share	1.28	1.22
CINOMALLOY AMERI	CAN	
Fourth quarter	1978 S	1977 S
Revenue	. 388.8m 3	20.2m
Not profits	- 13.S1m 1	1.89m
Not per share Your		0.78
Revenua	. 1.40 5 n 1	13bn
Net profits	. 47.42m 3	
Net per shara	. 2.82	2 58
COASTAL STATES GA		
Fourth quarter	1978	1977 S
Ravonus		50.7m
Net pichts	17.99m 1	4.45m
Net per share	. 0.82	0.65
Revenue	. 3.9ba	3.5bn
Net profits	. 60.42m 7	3.25m
Not per shera	. 2.78	1.36
RAMADA INNS		
Year	1978 -S	1977 S
Ravenuo	. 322.3m 2	
Net profits	- 10.2m	S.8m
Net per share	. 0.39 ·	0.36
ROYAL BANK OF CA	NAGA	
First quarter	1979	1978
Revenue		
Net profits	. 77 7m	S1.7m
Net per share	. 211	1 41
KOINIMOO CTADROT		
First quarter	1979	1978
	CS	CS

EUROBONDS

Canada revises Swiss package

BY OUR EUROMARKETS STAFF

PLANS FOR raising SwFr 1.5bn higher. Westdeutsche Landeson Swiss capital markets by the bank confirmed that the Canadian Government have DM 100m seven-rear issue for been revised.

Banco Nacional de Desarrollu

The public bond issue, to be offered at a coupon of 35 per cent will be reduced to SwFr 300m from SwFr 500m. with an issue price to be announced later.

To make up for this cut, the three-year bank loan will be expanded to SwFr 700m from SwFr 500m. The interest rate is 2% per cent.

has been prired at 99 with a 71 per cent coupon.
The Orient Finance DM 30m

eight-ear 43 per cent convertible carries a conversion price of Y1,880, a premium of 2.73 per cent on Orient's closing quote on the Tokyo stock market yesterday, Commerzhank

The private placement of six
Conversion will be at a fixed exchange rate of X110.16 per

lending rate. However, a further issue is expected in Eurosterling shortly.

The reduction in the size of the public bond is understood have been recommended by the handling bank in the light of increased cantion on the part of investors, and concern that the Swiss market could be unduly strained.

Meanwhile, the European Investment Bank is said to be planning a \$75in two-part Euroat SWFT S00m.

Eurosterling bonds were Manager is reported to be intermined to a cut in Britain's minimum Torino. dollar bond, to be placed mainly.

each, inter-

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Real Property

20-1

FT INTERNATIONAL BOND SERVICE

The list shows the 200 letest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Europond prices published on the second Monday of each month.

Closing prices on March I: Closing prices on March I U.S. DOLLAR Issued Bid Offer day week Yeld 15 87's 88's -0's -4's 7.62

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CA 8% 87	. 60		93	ŏ	-0.	9.92	Australia 613
CA 9% 84-99	. 50	951	961	-0		9,84	BFCE 6.4 90 .
T 8 93	. 75	941	944	+0	_o	9.74	Eurofima 6.3
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FINANCIAL WEEKLY

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Investment

columnists,

What the figures won't tell you, Financial Weekly will

Every Friday, Financial Weekly reports

and comments on financial news, facts

and figures - and brings you exclusive

interviews and articles by well-known

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\$5m in the fame,

In Europe deep

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7m to \$376m.

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Argentinian

UBS holds dividend on lower profit

LOWER PROFITS and an represent the equivalent of one-LOWER PROFITS and an represent the equivalent of one. Nevertheless, the bank was ness volume which more than unchanged dividend are an quarter of total capital. Initially now unable fully to offset compensated for a SwFr 4bn nounced by the Union Bank of the Board is asking for authori-increased costs by additional decline in Swiss franc value Switzerland, one of the Swiss sation to issue participation by big three banks. Switzerland to issue participation certificates not exceeding

Net profits for 1978 are 6 per tend to be subject (\$150m) leaving the bank with egulat a performance that it right in and as in the case line with that from the Swiss Equiring companies week the SBC reported a 6 per cent decline in net profits to

free also has lost UBS is maintaining its dividions to much be dends at SwFr 100 per Bearer med in the US, tered share. The SBC also beld its payment to shareholders—at 10 per cent—baving attributed 10 per cent-baving attributed hat some of a the weaker profits to declining it is earning in Swiss interest rates and the that hour figure, official curbs on bank operations.

tiv low and there. Shareholders in UBS are also chrysier that to be asked to approve an esses were also amendment in company statutes esses were also be asked to issue esses were not be enabling the Board to issue participation certificates. Nonings of \$700m ing

SwFr 100m. The purpose of the new stock

ible instrument for capital more capital was employed than market transactions, particularly in 1977, net interest earned—for convertible and warrant even including higher income issues to finance long-term foreign lendings, international underwriting operations and acquisitions," the bank declares.

For the first tranche to be issued, shareholders will be given the option of either a selection of participation certificates or a cash dividend.

Managing director emerge only 6.1 per cent lower expansion in its balance sheet share and SwFr 12 per instead of the 10 per cent fore- total to SwFr 60.9bn. This had registered and non-voting cast by last November. resulted from a growth in busis shares.

income. Particularly unsatisfac- owing to the weakness of the tory, as a result of a historic dollar. low in Swiss interest margins, was the development last year type is the "creation of a flex- of net interest income. Although

> paper—dropped slightly to SwFr 598m. to SwFr 161m, a negative effect growth had flattened out while baving been exerted by official costs continued to rise.
> restrictions. Commission earn. Schindler Holding AG, the ings stagnated at SwFr 530.24m. elevator group, expects 1978
>
> Dr. lucome from foreign-exchange results to be close to the pre-

from bills and money-market

Bank deposits declined by 1.6 per cent to SwFr 16.6bn due to a "cautious policy pursued in inter-bank operations." At the same time, however, non-bank deposits rose by 13.7 per cent to SwFr 36.4bn.

This year UBS expects an improvement in profits but "not securities fell from SwFr 172.8m up to the 1977 level." Income

Nikolaus Senn said that, given the conditions obtaining, the 1978, results were "fairly satisfactory." The Fourth quarter bad proved much better than expected, allowing profits to emerge only 6.1 per cent lower.

Strong Bourse advance for italcementi

merican market to go before 1 kind of contrar SHARES IN Italcementi, the alance she did cornerstone of the financial and industrial empire of Sig.
Carlo Pesenti, rose a further
L250 on the Milan bourse yesterday, despite their recent Strong advance.

The shares have risen over 15 per cent to stand at 1.28,950 apiece, in the week since the financier announced his plans for the first stage of the reorganisation of his group, among the largest in private hands in Italy.

Howare & This centres on a rights issue of shares in Italmobilissue is expected iare, the wholly owned subsidiary which controls Sig. Pesenti's substantial banking le bond is under and insurance interests, for Italcementi stockholders. A sed courses on us cated exercise is expected to tors. Chi concer ; make Italmobiliare the master

company of the group. drained. The hectic speculative trading in Italcementi, which has fuelled a general rise on the bourse, reflects the price at which Italinobiliare shares are being offered. At 1.10,000 each, this is reckoned to be far below the intrinsic value of Italmobiliare, whose port-folio is conservatively valued at LL,000bm (\$L.2bn).

Meanwhile, it has been amounced that the takeover bid by Quaker Oats of the U.S. for Chiari e Forti, the first ever by a foreign company-for an Italian enterprise via the

By Wednesday night acceptances had been received in respect of 1,729,749 shares, comfortably above the 1.5m figure stipulated as a mini-mum by the American bidder.

The offer runs until March 9. Quaker Oats is seeking up to 2.9m shares in Chiari e cent of its share capital.

Sharp rise in Libra Bank earnings

By John Evans

LIBRA BANK, the multinational bank specialising in Latin American business, re-ported that its pre-tax profits rose 51 per cent in 1978 to £7.7m compared with £5.1m in

An annual cash dividend amounting to £504,000 was declared compared with 1977's

The bank's manager director. Mr. Thomas Gaffney, said: Earnings in 1978 were the highest achieved so far by Libra and total assets rose by the

end of the year to £449m.

As margins obtainable from international lending are now substantially lower than for some years it is our intention broaden the financial services offered by the bank in order to sustain the high level of profit-

Reflecting the change in market conditions last year, the average life of the bank's loan portfolio tended to lengthen, standing at 2.7 years by the

Early loan repayment by Italy

BY OUR EUROMARKETS STAFF

lean arranged through the state political upbeavals during the bank, Mediobanca, in 1974 mid-1970s which badly affected according to senior Euromarket its credit-standing among the bankers.

Two tranches of the eightyear loan, amounting to \$300m and \$200m respectively, bave been prepaid within the last few

The latest repayment, to-gether with normal amortisa-tion of the loan, means that approaching \$800m of the facility has now been retired, leaving just over \$400m out-

The \$1.2bn bad been arranged among a group of international banks at a time when Italy was facing considerable balance of

was agent bank for the facility.

The more recent improvement in the country's balance of payments, and the increase in its foreign currency reserves, bave again made Italian credit generally accepted in the Euro-currency markets in the last

The Italian authorities have obviously decided that a good portion of the \$1.2bn loan can safely retired early from monetary reserves, bankers

With Eurodollar interest rates payments pressures, partly at well over 10 per cent, Italy caused by the 1873-74 oil crisis.

American hanks were beavily dollars in interest payments involved, and Morgan Guaranty through premature retirement, Trust Company of New York bankers point out.

Another implication of the The loan was virtually the last operation may well be that Italy major facility Italy was able to is aiming at improving on the obtain in the international terms on which it raises funds

ITALY has repaid ahead of credit markets for some years, in the Euromarkets in the schedule \$500m of a \$1.2bn reflecting the country's future. The \$1.2bn facility balance of payments financing economic problems and domestic carried a spread of 2 point over

The decision to prepay prob ably reflects the fact that Italy feels confident it could raise toans at significantly under this level. Among the industrial Britain, France and some Scanarranging Eurocurrency loans at the point level.

Bankers also speculate that,

by raising new long-term loans, Italy can reduce the current heavy debt repayment burden. Last year's debt servicing costs were particularly high because of heavy borrowing to finance balance of payments deficits stemming from the oil

But a record current account surplus, estimated at \$6.2bn, allowed the Bank of Italy to make early repayment during 1978 of \$360m of International Monetary Fund debts that were not due to mature until 1979 and 1981.

Domestic side boosts O und K

BY ROGER BOYES IN BONN

1977. Group turnover increased by 16 per cent to DM L31bn.

dustry. Exports accounted for in the ship building division, only 43 per cent of turnover in O and K expects last year's

The company's weakest point, O und K said that the in-crease in the parent company's building division. Although its turnover was solely due to turnover last year stayed at domestic business. This was about the same level as 1977, because of the pressure of com-pletion dates on large plant con-struction orders for German in-Despite the disappointments

Dr. Klaus boned that GZB will

OIAG, the holding company for the Austrian nationalised

industries, reports an 8.5 per

cent rise in last year's turnover

earnings levels in 1979.

ORENSTEIN UND KOPPEL 1978, compared with 62 per cent profits to be roughly the same as in 1977, thanks to the growth cortex in derestic business and to the to and K), the Dortmund in 1977.

The strongest growth sector building company, yesterday announced that its turnover last year reached DM 1.13bn (\$611m), a 12 per cent rise over 1977. Group turnover increased over.

The strongest growth sector in domestic business and to the receipt of payment for several large orders. Moreover, initial orders this year for a floating which was responsible for about over.

> It was also announced yesterday that Herr Heinz Solbach, chairman of the board of Hoesch which has a 50 per cent holding in the company, would also be-come chairman of O and K's supervisory board. His predecessor, Dr. Hans Leibkutsch,

GZB expands balance sheet by a sixth

BY PAUL LENDVAI IN VIENNA

THE CENTRAL institute of the 17.5 per cent. Austrian farmers' eredit cooperatives. Genossenschaftliche be able to maintain last year's Zentralbank reports a 17.5 per cent expansion of its balance sheet to Scb 61.1bn (\$455m). Net interest income fell hy 17

per cent to Sch 426m during the year but GZB is nevertheless paying an unchanged dividend to Sch109hn (\$8,07hn), but there was a further deterioration With regard to the past year, of the profit margins in key the director general Dr. Hell-muth Klaus stressed that GZB Dr. Oscar Gruenwald, the has on the whole mastered most director general and chairman of its problems. Despite the resoft the OIAG Board, bluntly trictions, commercial credits stated in an interview that the extended by the hank expanded serious difficulties in TZHE

by almost 20 per cent. Foreign Steel and Iron, as well as the business expanded strongly, risings by 18 per cent and now persist for several years. Total accounting for 27 per cent of assets. GZB participated last year in 160 foreign bond issues and acted as co-manager in five loan issues. In June 1978 GZB companies. Dr. Gruenwald loan issues. In June 1978 GZB companies. Dr. Gruenwald floated its first public loan revealed that the Voest-Alpine

denominated in Swiss francs.

The GZB group balance sheet, including associated special institutions expanded to Schromer Sch29.2bn.

Sch29.2bn.

Cbemie Linz increased its turnover by Sch500m to Sch8.1bn.

London lifts Eurocurrency market share

THE SHARE of the total \$800bn Eurocurrency market taken by London increased slightly in 1978, reversing a three-year period of sharp decline, according to Mr. David Ashby, senior economist for Bankers Trust Company.

to London's better record.

market market sbare last year was for Paris. dropping to 9.4

London's portion of the Euromarket as of last September was 33.9 per cent, equal to the combined total of the next three largest centres. The UK centre's share at year-end 1977 was a share a share at year-end 1977 was an estimated 33.1 per cent, and in 1974 was reckoned at 41.2 per

London's performance last year was all the more remark-able because of a further rapid growth in the world-wide Euro-market, Mr. Ashby said, suggesting that the stability of sterling in the past year was partly due

The sbarpest decline in Euro

Doubled earnings from Manpower Suisse

BY BRIJ KHINDARIA IN GENEVA

femporary jobs agency, inabout 50 staff, have found that
creased its turnover by 33 per judicious and planned use of
cent reaching a total of temporary staff protects them
SwFrs 62.7m in 1978. Profits
against the heavy cost of hiring emerge at 5 per cent of turnover, representing a donbling of being faced with the the 1977 level according to Mrs.

M. Mumenthaler, chief execu
Larger Swiss compar

The agency, which operates under licence from Manpower Incorporated of the U.S., plans to increase turnover by a further SwFrs 10m this year and is also branching out into selection services for permaneot clerical level and production staff.

The "excellent" results during 1978 are attributed to changed policies of small and mediumabout 50 staff, have found that Lausanne. permanent employees and then being faced with the need to

Larger Swiss companies have not made any increased use of temporary staff because they have had a large number of underemployed permanent em-ployees to fall back on in times of need.

Manpower Suiase, which is 25 per cent owned by Manpower U.S. with the rest of the shares being in private Swiss hands, expects to raise its revenues from selection services for perdeliberately biring temporary manent staff to about 10 per cent workers to keep their bands of its turnover this year. Its non-U.S. publications. The new comparable payments were free because of economic latest office was npened in recession. These companies, Zurich last year, adding to exist-

MANPOWER Suisse SA, the which normally have less than ing offices in Geneva, Basle and foreign publishers covering the

The agency deals with about 9,000 Swiss companies but some 1,900 enterprises accounted for affiliate of Publicitas, will two-thirds of its turnover last expand operations of its owo year. The machine-making in- international media advisory dustry beads its list of clients, service for U.S. advertising accounting for 19 per cent of its

THE LEADING Swiss advertis-Publicitas SA, of Lausanne, has affiliated to the Zurich-based entered into a joint venture with bank. Julius Baer. Including the American newspaper interim payments, these publishers' agency, Sawyer amounted to SwFr 42 per certifi-Ferguson-Walker Co., John Wicks from Zurich. The fued Baerbood, SwFr 28 for the venture will result in a new convertible-bond fund Conbar, company, to be koown as SwFr 18 for the share fund SFW/PRI which will work from Stockbar and SwFr 16 for the

At the same time, Publicitas

Regie International, the U.S. agencies and advertisers.

Reduced dividends have been and placing agency paid for a number of funds writes cate for the international bond

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2nd March, 1979

The Chase Manhattan Benk, N.A.

Swiss Bank Corporation



EXTRACTS FROM AUDITED ACCOUNTS

Year ended 31st December 1974 1978 £ 3 CAPITAL AND RESERVES 7,556,145 9,157,019 12,865,529 15,554,217 10,808,993 SUBORDINATED LOANS 2,979,993 2,817,660 7,038,561 CASH AT BANKS, MONEY AT CALL AND SHORT NOTICE, CD'S 57,776,035 32,033,309 44,742,071 56,006,316 85,364,704 50,513,291 119,101,267 189,650,825 229,549,465 337,813,236 TOTAL ASSETS 142,571,053 172,516,747 273,854,226 449,369,306 PRE-TAX PROFITS 1,951,341 3,021,754 4,149,974 5,104,536 7,737,688 AFTER-TAX PROFITS

1,600,874

2,029,974

Shareholders

1,000,690

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Cazenove & Co.,

2nd March, 1979

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD. 45 Cornbill, London, EC3V 3PB. Tel.: 01-623 6314. Index Guide as at March 1, 1979 Capital Fixed Interest Portfolio

CLIVE INVESTMENTS LIMITED 1 Royal Exchange Ave., London EC3V 3LU, Tel.: 01-283 1101. Iodex Guide as at February 20, 1979 (Base 100 on 14.1.77)

Clive Fixed Interest Income

This announcement oppears as a matter of record only. February, 1979

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· Managed by:

The Industrial Bank of Japan (Luxembourg) S.A. Provided bu:

The Industrial Bank of Japan (Luxembourg) S.A. Daiwa Europe N.V. Mitsubishi Bank (Europe) S.A.

Nippon Credit International (HK) Ltd. Nomura Europe N.V.

Growth rate speeds

up at Liberty Life

LIBERTY LIFE Association, the wards property, a sector which

	March 1	week ago £	Month ego
BACON	-	-	_
Danish A.1 per ton	1.140	1,140	1,140
British A.1 per too	1,065	1,110	1,110
unsa Special per ton	1,065	1,110	1,110
Ulster A.1 per ton	1,065	1,110	1,110
BUTTER			
NZ per 20 kg	14.11/14.24	14.11/14.24	
£nglish per cwt7	81.85	81.65	81.65
Danish salted per cwtv	83.10/86.35	83.05/85.68	80.98/83.72
CHEESE?			
NZ per tonoe	1,255/1,275	1,230	1,260
Eoglish cheddar trade		1 455	
per tonne	_	1,455	_
EGGS*			
Home produced:	3.10/3.30	2.80/3.20	4.90/5.20
Size 4	3,20/3.40	3.10/3.40	5.50/5.80
Size 2	3.20/3.20	0.147 0. 10	
	March 1	Week ago	Month ago
.:	p	p	p
REEF			
Scottish killed sides		0 /E0 0	57.0/60.0
ex-KKCF	54.0/59.0	55.0/59.0	44.0/46.0
Eire forequarters	40.0/44.0	‡	23.0/ 20.0
LAMB			E0 0 /00 0
English	58.0/66.0	56.0/64.0	52.0/60.0
NZ PLs/PMs	47.5/49.0	47.0/49.0	
PORK (all weights)	35.0/45.0	36.5/45.0	35.0/46.0
POULTRY			
Broiler chickens	37.0/38.0	37.0/38.0	37.0/38.0
* London Egg Exchar	ge price pe	r 120 eggs.	† Delivered

he war that never ends

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We British are a peacefol people. When a war is over we like to consign it to the history books - and forget it. But for some the wars live on. The disabled from

both World Wars and from lesser campaigns, now all too easily forgotteo; the widows, the orphans and the children – for them their war lives on, every day and

In many cases, of course, there is belp from a pension. But there is a limit to what any Government Department can do. This is where Army Benevolence steps in. With

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General Cable International N.V.

Guaranteed Floating Rate Loan Notes 1980

NOTICE IS HEREBY GIVEN, pursuant to the terms of said Notes and the Fiscal Agency Agreement dated as of September 28, 1970 among General Cable International N.V., General Cable Corporation, Guarantor, and Irving Trust Company, Fiscal Agent, that General Cable International N.V. intends to and will redeem on March 30, 1979 (since March 31, 1979 is not a business day) by operation of the Sinking Fund provisions of said Notes \$2,000,000,00 principal amount of General Cable International N.V.'s Guaranteed Floating Rate Loan Notes 1980 at 100°s of the principal amount thereof, which have been selected for redemption by Irving Trust Company, as Fiscal Agent under said Fiscal Agency Agreement, as provided in said Notes as follows:

Notes in the principal amount of \$1,000 bearing the prefix M to be redeemed in whole.

763 3232 3947 4775 5413 6071 6691 7483 8224 8764 9244 9729 10170 10623 7777 3290 3950 47791 5414 6089 6701 7485 8226 8771 9249 9733 10174 10527 754 3299 2968 4796 5425 6094 6704 7511 8231 8776 9275 9739 10176 10629 766 3300 3983 4810 5439 6100 6707 7519 8241 8777 8308 9743 10179 10694 904 3316 3992 4814 5457 6101 6708 7542 8244 8783 9309 9752 10196 10643 818 3344 4002 4834 5473 6106 6719 7562 8253 8809 9312 8753 10200 10661 831 3346 4004 4864 5508 8115 6751 7680 8256 8814 9319 9758 10208 10663

Notes in the principal amount of \$10,000 bearing the prefix X and the principal amount to be redeemed.

*to be redeemed for the 3/31/77 Sinking Fund

Notes in the principal amount of \$100,000 bearing the prefix C and the principal amount to be redeemed.

Notes in the principal amount of \$500,000 bearing the prefix D and the principal amount to be redecimed.

The above listed Notes selected for redemption (or portion of the principal amount of any Notes to be redeemed in part only) shall become due and payable on March 30, 1979 and thereafter interest thereon will cease to accrue. The aforesaid redemption price payable with respect to the Notes or portions thereof selected for redemption will be paid upon presentation and surrender thereof together with all appurtenant coupons maturing subsequent to March 31, 1979 in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment therein of public and private debts at the option of the holder at Irving Trust Company, Corporate Trust Division, One Wall Street, New York, New York 10015 or at its office in London or at the office of S. G. Warburg & Co. Limited in London or et the office of Banque Internationale à Luxembourg in Luxembourg as provided in paragraph 1 of said Notes subject to the restrictions stated therein.

The holder of any Note which is redeemed in part only upon surrender thereof as above provided may obtain in exchange for the unredeemed portion thereof at no additional cost an equal aggregate principal amount of Notes of suthorized denominations.

Unpaid interest instalments which shall have become due on or prior to March 31, 1979 (the March 31, 1979 interest instalments which shall have become due on or prior to March 31, 1979 (the March 31, 1979 interest instalments which shall have become due on or prior to March 31, 1979 (the March 31, 1979 interest instalments which shall have become due on or prior to March 31, 1979 (the March 31, 1979 interest instalments which shall have matured, and the amount payable to the holders of Notes presented for redemption shall not include such unpaid instalments of interest unless coupons representing such instalments shall accompany the Notes presented for redemption.

Amoent Serial Amount Serial Amount Serial Amount Bedcomed Numbers Redoomed Numbers Redeemed

448...\$16,000 448...\$11,000 450...\$11,000 447... 15,000 449... 14,000 451... 12,000

GENERAL CABLE INTERNATIONAL N.V.

By IRVING TRUST COMPANY, Fiscal Agent

1896...\$2,000 1404....1,000 1405....1,000 1408....1,060 1407....1,000

1350. \$2,000 1358. 2,000 1385. 2,000 1380. 3,000 1391. 2,000

Gerial Amount Serial Amount
Nambors Redected Numbers Redected

Dated: February 28, 1979, New York, New York

The Army Benevolent Fund fur soldiers, ex-soldiers and their families in distress

Dept. FT, Duke of York's HQ, London SW3 4SP

TOKYO STOCK MARKET Nervous fall from peak

The effect of these uncertain-

Challenge well ahead in first half

this trend will cootinue.

industries.

THE TOKYO stock market wes sent sherply downwards yesterday hy so unconfirmed report early io the day that Russia might send troops to Vietnem. The Nikkei Dow index of 235 first section shares took its biggest fall in nine weeks, down Y97.32 to Y5,975.56—the lowest close since December 26. The fell emphasises the underlying nervousness of the market.

The reaction appears to reflect a number of uncertainties apart from those over Vietnam—and in fect the market bas letely been settling back gradually, after reaching a year's peak at Y6,212,78 on the last day of January.

March 1 normally marks the start of a huying push by the smaller and medium size securities houses, anxious to screpe together profits hefore the fiscal year ends on March 31. But huying power exhausted itself Nippon Steel, the main contracin the first bour of trading, for for a large Chinese steel likelihood of before the Japanese Press plant planned for Shanghai, fell beated conditioner, and it seems likely that Y4 to Y129. China last week said time being.

its contract signed in December has not yet gone into effect. Japanese investors have taken to the sidelines, particularly the iostitutional investors Y2,500 and Sony dropped Y60 who were active in January, and tu Y1,600.

Since Japuary the market has volume was down in late Febseen a gradual decline in the amount of outstanding margin ruary. There is concern that the Ti Salenan hilateral trade probpurchases from a high of Y1,120 ems may continue to worsen. Other factors are worrisome inflationary trends in Japan January 13 to Y1.104bn as of Feoruary 24. The shortselling position meenwhile increased from a low of Y122bn on Jaouary 16 to Y138bn as of recently, which could prompt some credit tightening by the Bank of Japan; the impact of a lower amount of Iranian produc-February 24. tion of crude oil (even after resumption) at higher prices; From mid-December, as the

Nikae: Dow Index climbed to peak levels, officials at the Bank end the conflict in Indochina between Vietnam and China. of Japan had been cautioning China has also cast a shadow that the stock market was overover the future of plant export, heated. They offered official contracts presumed to guidance to the banks to cut assured for major . Japanese back on lending for speculative

stock and land purchases. Securities houses say there ties has been to lower nrices actually was no change in the generally of giant issues such as level of such bank lending. But steels and heavy electricals, the present jittery etmosphere among investors is making the likelihood of a return to overbeated conditions small for the

steels pay off for **USCO**

nnly 8.9 per cent to R137.3m (1977: R126.1m), but by absorbing overheads on higher tonnages and swinging

alloys, transport and electricity have added substantially to unit costs. This is reflected in USCO's lower second half profit compared with the first half.

Earnings per share rose by 233 per cent to 12.03 cents (1977: 3.6 cents) and the dividend was increased to 5.5 cents from 2.5 cents. This is in line with USCO's objective of reducing debt and avoiding spectacular swings in divi-dend distributions as the steel market changes.

Speciality

BY CONCENTRATING OR production of speciality steels. Union Steel (USCO), the semi-independent South African steel maker, has more than trebled taxed profit in 1978. Turnover increased by

At the same time, the company's total assets grew 18.6 per cent to R737.1m (\$872m) from R621.7m, while the life fund grew 24.2 per cent to R560.8m, from R451.6m.

In the nast emphasis to higher-margin speciality steels, pre-tax profit growth was a spectacular 446 per cent to R6.1m (1977; Rl.1m). In the past, a criticism levelled at Liberty has been that its investment portfoliu has been too beavily weighted to-Mr. Jan de Waal the manag-

ing director said that the major factor lifting demand for speciality steels was last year's sharp improvement in the local auto industry. Demand for mild steel pro-ducts weakened in line with singgish construction industry.

However, Mr. De Waal does point out that manufacture nf speciality steels is becom-ing increasingly expensive as price increases for ferro-

underwriting loss BY JAMES FORTH IN SYDNEY INSURANCE Group Insurer's Contribution Fund, it raised its first-half earnings 24 is not yet appropriate to write

OBE profit up despite

per cent, from A\$1.75m to back any portion of last year's A\$2.2m (US\$2.5m). The direction abnormal charge of A\$3.8m, tors have declared a steady interim dividend of 5 cents a share on capital increased last September by a one-for-five scrip issue.

South African life assurance company SI per cent-owned by Laberty Holdings in which Guardian Royal Exchange Assurance has an 11 per cent interest

maintained its growth, at a sharper rote, in 1978.

Following an 8.5 per cent Improvemen in 1977. Liberty's taxed attributeble surplus grew 21.4 per cent in 1978 to R12.57m

(\$14.9m), from R10.36m. At the same time, the

The higher result was chieved only through a goin in investment income, which rose from A\$4.9m to A\$6.9m. On the underwriting side, QBE incurred a loss of A\$3.6m, compared with a deficit of A\$2.9m in the first half of 1977-78. The directors said that pending clarification of henefits due to companies from the NSW AP-DJ

dynamic of present in South Africa, It is a criticism firmly

put down by the company's in-vestment team. But m line with other South African institutions,

1978, saw increasing investment

24.4 per cent, from 24.8 per 24.4 per cent, from 24.9 per

cent, of the overall investment

portinio against a higher 18.4 per cent, against 16.2 per-cent, in equities.

slow-down in profit growth is reflected in the year's dividend

declarations amounting to 88 cents, compared with 74 cents in 1977, on earnings of 1152

The expectation of no major

Property slid marginally, to

eniphasis on equilies.

MELBOURNE - McPhersons the Australian engineer's suppliers and metal distributor, has announced a 133 per cent rise in profit from A\$1.6m to A\$3.6m (A\$4.1m) in the six months to December 31. Sales rose 5.4 per cent to A\$120.3m (US\$138.3m), with associated company sales up 13 per cent.

The interim dividend has been increased from 4 per cent to 7 per cent.

CHALLENGE CORPORATION, Despite inflation, costs were figures, was substantially New Zealand's largest commer-beld to an increase of less than reduced, Mr. Trotter said. If inflation was not reduced, he 10 per cent, says Mr. R. R. Trotter, the chairman.

cial group, has boosted its halfyear profit by 89 per cent, from NZ\$3.4m to NZ\$6.4m (US\$6.7m). The dividend is raised by 1 per cent to 6 per cent tax free.

Group turnover for the halfyear was up 20 per cent to NZ\$443m (US\$466m). Group earnings rose from NZ\$3.6m to NZ\$8.8m. Taxation is doubled from NZ\$1.5m to NZ\$3.7m.

erosion of the company's capital was a major concern, remain vishie, and would not be and would continue to be so capeble of investing to maintain unless New Zealand inflation, economic growth and employwhich was running in double ment.

The group's liquidity was now have to change the basis on in a healthy position compared which private companies paid with a year ago. The constant tax. Otherwise the private sector in New Zealand would not

Marra Developments land deal off

The directors said that ordi-

They added that considera-tion of ordinary dividends must

paid.

8Y OUR SYDNEY CORRESPONDENT

pastoral group, continued its the policy of maximising the recovery in the December half- return on investment from year. lifting earnings from avenues calculated to contribute A\$74,000 to A\$2.6m (U.S.\$3m), most directly to angmenting Moreover, the directors gave a cantious forecast, of "possible expectations," of a pre-tax profit preference redemption ohligaof about A\$1m for the second six months.

The directors also revealed a solution to the redemptions that they had cancelled an obligations for the group to of shareholders at the last continue. earlier agreement to huy a land development project in which regression and continuing a director had an interest, present policies, net assets at following criticism by a dissi-current values may now exceed dent Marra shareholders action holders.

The action group has been at loggerheeds with the board for some years over its policy of selling pestoral assets to reduce be deferred until arrears of and likely publication could heavy borrowings. The dehts preference dividends had heen arose from the merger of Marra

The merger foiled a hld for SAH hy Tiera, a company headed by the Melbourne husinessman, Mr. Peter Yunghsons. But Tiera ended up as the major shareholder of the merged Marra group. The company incurred losses between 1975 and 1977, including a A\$28m deficit in 1975 from trading and write-offs, but-returned to the black in 1978 with a profit for the year of

The Marra directors said that the result in the December half was the consequence of the

Marginal rise. at Hooker

By Our Sydney Correspondent HOOKER CORPORATION, the

major property, retail and pastoral group, posetd a small profit increase of 5.4 per cent in the December balf-year, from A\$3.71m A\$3.71m to A\$3.91m (U.S.\$4.4m). Most areas of the group's operations recorded in-In the pastoral division earn-

ings jumped from A\$645,000 to A\$2.41m, reflecting the best rural seeson for at least 15 years. However, the gains were largely offset by the retail, commercial and industrial projects division, where profit dropped from A\$3.18m to only A\$19,000. The directors said a number of retail and industrial projects were under development or establishment during the period but not offered for sale. This coupled with the reduction of activity in commercial projects. resulted in the minor contribu-

There was evidence of a re newal of confidence throughout the community, the directors said, despite unemployment and pected that a slightly increased profit would be achieved for

Hooker will pay an unchanged interim dividend of 3.75 cents a share, which is covered 1.7 times by earnings. Group revenue for the period rose sharply, from A\$75.7m to A\$114.6m (U.S.\$130m). At December 31, the directors pointed out, there were A\$8.5m

of deferred revenue profits, com-pared with A\$9.2m a year earlier. There was a further A\$2.1m of deferred revenue profits in joint veuture companies, compared with A\$2.6m in the same previous period. One of the problem areashead lease and profit sharing projects, showed a small reduction in loss, from A\$1.6m to

A\$1.5m, after provision of A\$1.5m for head lease contingen-

MARRA DEVELOPMENTS, the elimination of borrowings and ings, with an operating profit of A\$1.5m. Pastoral earnings also improved considerably. The directors referred to the purchase in July of a company, sbareholders funds to meet

Madasa Nominees, which had a property development at Little River in Victoria, and in which Mr. Yunghanns was a director. nary shareholders depended on This investment had been severely criticised by a number Given no serious annual meeting, which had been widely publicised. Moreover the members of the action group had taken legal action hy a small margin the total to challenge the deal. The entitlements of preference directors said that they considered the criticism lacked validity and substance but that because the pending litigation have adverse effects on the profit potential of the invest-

(\$4.4m). The company has benefited from the current property boom

and has raised its interim dlvi-

companies, yesterday raised its

HOPEWELL HOLDINGS, one while earnings per share have of Hong Kong's main property risen by 6.8 cents to 17.6 cents. Hopewell said that the group's interim net group profits for projects were all progressing the half-year to December 1978 satisfactorily. It is very confident to HK\$21.13m second-half to June 30. The company expects that lotal consolidated net profit will represent a satisfactory increase over dend to 7.5 cents from 6 cents, last year's level of NK\$56.38m.

Improvement by Sembawang

Hopewell confident

PRE-TAX profits at Sembawang Shipyard remained practically unchanged S\$27.35m

(US\$12.6m) in 1978. Post-tax profit, however with another pastoralist, Scottish Australian Holdings (SAH),
latest profit came from the subfrom the vendors to repurchase

S\$17.63m, as a result of a lower per cent decline registered in tax charge.

As forecast in the company's interim statement, Sembawang turned in a much improved performance in the second half.
The better second-half

1979 News Bulletin No1

Preliminary results for 1978

An increase in sales of 8% Net consolidated sales in 1978 rose to an estimated

sidiary, Consolidated Meat Hold- Madasa at cost plns interest.

FF34,300 million, an increase of 8%. After taking into account the effects of changes in monetary parities, sales rose by 10%, substantielly the same increase as in 1977. Expressed in the respective national currencies, and on the basis of equivalent structures, sales changed as follows in 1978: Frence +11%, Germany -2%, Banelux -3%. Italy +18%, Spain +17%, other European countries +10%, United States +10% end Latin America +52%. These percentages must, of course, be related to widely varying rates of inflation in these countries.

Net consolidate	ed sa	les by	count	ry .
(millione of frencs)	. %	1978	1977	1976
	:	(estimate	•	
France	50	17,380	15,637	15,227
Germeny	18	8,440	8,239	5,379
Benelux	3	1.140	1,718	870
łtaly	3	1,1170	957	858
Spain	5	1,850	1.753	1,462
Other Europe	2	580	524	268
USA	12	4,130	4.078	3,222
Latin America	7	2,360	2,150	1,902
Total	100	34,950	32,456	29,188
nternel sales		(650)	(627)	(649

Following the Group's recent reorganisation into ten product line divisions, sales may be broken down as tollows: flat glass 16%, fibres 14%, containers 10%, asbestos cement, wood 12%, pipe 9%, engineering 5%, paper 7%, refractories 3%, contracting 13%, distribution 11%.

34,300 31,829 28,539

Net salos

Income reflects difficulties in France The Group's consolidated income was adversaly effected by saveral factors in 1878, in particular by the continuing difficulties of our operations in France.

(millione of francs) 1978 1877 (estimated) Gross mergin 4,000 4,119 3.698 Operating income 1,400 1,477 1,395 Net Income 642

Gross margin declined from 13% of sales in 1977 to approximately 12% in 1978. Operating income is stated after deduction of interest end other tinanciel charges of FF1,050 million compared to FF1,031 million in 1977. Net income in 1978 was provided entirely by operations outside France. The Group's French operations show e net loss for 1978, whereas in 1978 they provided 40% of consolidated net incoma, and 4% in 1977.

Consolidated nat income is stated after financial charges of FF300 million for redundancies and plent closures, 87% of which occurred in Frence. Net income was also effected, as in previous years, by conversion losses of nearly FF300 million, ansing primarily in Latin America. Finelly, net income also takes into account gains on the disposal of assets of FF250 million, in comparison to FF74 million in 1977. After taking into account the increase in the everage number of sheres outstanding efter the rights issue at the end of 1978, nat Income per share tor 1978 amounts to approximately FF18 in comparison to FF23 for 1877, FF17 for 1978 and FF4.30 for 1875.

A healthy financial situation

The Group's consolidated financial situation, however, remeins healthy end, tollowing the rights issue, the ratio of borrowing to shareholders' equity has improved. Working capital also increased significantly in 1878 and capital expenditure, which remained substantial, was entirely covered by cash flow and the disposel of assets,

(millione of francs) 1978 1977 (estimeted) Cash flow end asset disposal 2,810 2,739 Capital expenditure 2,800 2,495 2,121 Cash flow in 1978 emounted to FF2,100 million, an 11% decrease compared to 1877, dus primarily to

difficulties in France where it fell by half (or FF230 million). For the first time, the French operations contributed less (11%) to cash flow then the German (20%) or American (14%) operations. Capitel expenditure, of which 88% was committed to plant and equipment and 12% to trade investments, will continue at the same level 875. Roger Mertin, Cheirman, said in his ennuel message

that the Group must make an unprecedented effort to deel successfully with the challenges of today's economic and political environment. It must not only improve profitability, especially in France, but also find its place among the growth industries of the future through appropriate diversification.

SAINT-GOBAIN-PONT-A-MOUSSON

For further information, write to: The Director of External Relations. Compagnie de Saint-Gobaln-Pont-à-Mousson, 54 Avenue Hoche, 75365 Paris. Cedex 08.

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lurther

compared with \$2.04bn in Decem-

ever, opening at DM 1.8500, and tooching a high point of

DM 1.8565 before the fixing.

PARIS.— The dollar was steady against the French franc, but the French currency was

generally weak, reflecting uncer-

tainty about labour unrest in

the country. The dollar closed at FFr 4.2790 compared with FFr 4.2720 late Wednesday, and

sterling continued to appreciate finishing at FFr 8.6530, compared with FFr 8.6410 previously.

AMSTERDAM—The dollar stood at F1.2.0030 against the guilder in late trading unchanged from its fixing level.

TOKYO-The dollar continued to improve, despite a first impression that the U.S. trade deficit had widened in January.

Speeds Dollar and Life Dollar firm

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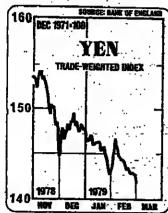
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ight, wile One of

pound firm The dollar and sterling were slightly firmer against most other major curreccies yesterday, but trading was generally considered favourable, but trading was generally considered favourable, given that the trade deficit of \$3.0 n would have been pound opened at \$2.0230 and fell to a low moint of \$2.0180 in early compared with \$2.04bn in Decemto a low point of \$2.0180 in early trading, as the dollar improved on realisation that the U.S. trade figures were much better than Wednesday, but tended to mark first thought. Sterling then rose the dollar down. It recovered in first thought. Sterling then rose to a general level of \$2,0225, and tonched \$2.0250 to the afternoon, before closing unchanged at \$2.0230-2.0240. Forward sterling was firmer, even before the cut in Bank of England Minimum Lending Rate.

160 DEC 1971-100



the charge of Age the dollar narrowed to 0.82 cent

tralian engineer: The pound's trade-weighted index, as calculated by the Bank of England, rose to 64.4 from of England, rose to 64.4 from 64.3, after standing at 64.4 at noon and 64.3 in early trading.

(AS-1 Im) in the to December 21.

Tose 5 1 167 com (US\$10\$3.25)

It tompony (224)

The dollar is depreciation was unchanged at 8.3 per cent.

The dollar rose to DM 1.8550 from DM 1.8515 against the

from DM 1.8515 against the D-mark, and to SwFr 1.6750 from SwFr 1.6685 in terms of the Swiss franc. The Japanese yen was rather weak, with the dollar improving to y203.60 from y202.40

Y202.40.

FRANKFURT — The Bundesbank did not intervene when the
dollar was fixed at DM 1.8550
against the Deutsche mark, com202.37 previously. The Bank against the Deutsche mark, com-pared with DM 1.8515 previously. of Japan 30ld. The new method of calculating support the yea.

THE POUND SPOT AND FORWARD

Day's apreed	Close	One month	е <u>;</u> р.а.	Three months	P.8.
2.0180-2.0250	2.0230-2.0240	0.47-0.37c pm	2.49	0.87-0.77 pm	1.64
2,3990-2,4155	2.3995-2.4005	0.52-0.42c pm	2.35	1,03-0,93 pm	1,63
4.031-4.061	4.04%-4.05%				6.18
59.15-69.45					4.72
					-0,48
					8.12
					-4.98
	139,85-139,95				-1.43
	1,701-1,702				-0.06
		41-21-ore pm			3.11
					4,04
					3,17
		3.60-3.35v pm			
		27-17gro pm			7.70
3.37-3.40	3,381,-3,391,	34-25c pm			11.50
	\$preed 2.0180-2.0250 2.3990-2.4155 4.032-4.082 59.15-59.45 10.47-10.51 3.74-3.77 95.70-96.65 139.30-140.00 1.696-1.7022 10.261-10.302 2.64-8.67 2.64-8.67 2.64-8.7 407-417 77.40-27.60	2.0180-2.0250 2.0230-2.0240 2.0230-2.0240 2.0230-2.0240 2.0230-2.0240 2.0230-2.0240 2.0230-2.0240 2.0230-2.0240 2.0230-2.0240 2.0230-2.0240 2.0230-2.0240 2.0230-2.0240 2.0230-2.0230 2.0230 2.	2.0180-2.0250 2.0230-2.0240 0.47-0.37c pm 2.3990-2.4155 2.3990-2.4005 0.52-0.42c pm 4.042-4.062, 4.042-4.062, 59.15-99.45 59.30-59.40 20-20c pm 10.47-10.51 10.49-10.50 2.07c pm 25.70-96.65 96.05-96.55 33-30-100.c dis 1.596-1.7022, 1.701-1.702 2.07c pm 25.042 2.07c pm 25	2.0180-2.0250	2.0180-2.0250 2.0230-2.0240 0.47-0.37c pm 2.49 0.87-0.77 pm 2.3990-2.4155 2.3999-2.4005 0.52-0.42c pm 2.3590-2.4155 2.3999-2.4005 0.52-0.42c pm 2.35 1.03-0.93 pm 59.15-93.45 59.30-59.40 30-20c pm 3.05 75-65 pm 10.47-10.51 10.49-10.50 3.75-3.76 3½-2½pl pm 3.75-3.76 3½-2½pl pm 3.75-3.76 3½-2½pl pm 3.75-3.76 3½-2½pl pm 3.05-139.35-1

THE DOLLAR SPOT AND FORWARD

	Tlay'e			**	Three	. %
March 1	epread	Close	Tine month	p.p.	manths	p.2
UK	2.0180-2.0250	2.0230-2.0240	0.47-0.37c pm	2.49	0.87-0.77 pm	1.6
Ireland	.2.0180-2.0250	2.0230-2,0240	0.47-0.37e pm	2,49	0.87-0.77 pm	1.8
Canedat	83,80-84,11	84.08-84.11	0.3-0.1c dis		0.4-0.1 dis	-0.2
Nethind.	2,0015-2,0060.	2.0015-2.0035	0.59-0.54c pm	3.27	1.88-1.83 pm	3.6
Selgium .	29,31-29,35	29.31-29.33	6-7c pm		23-211, pm	2.9
Danmark	6,1845-5,1945	3.1860-6.1885	0.50-1.00ora dia	-2.24	2.50-3.00dis	-2.2
W. Gor.	1.8540-1,8588	1.8540-1.8550	1.04-0.99pt pm	6.41	3.08-3.03 pm	6.6
Portugal	47.65-47.70	47.55-47.65	30-40c dis	-8.82	70-135 dis	-6.6°
Spein	69.13-69.23	69.13-69.12	18-33c dís	-4.28	50-70 dis	-3.35
Italy	841.00-841.65	841.10-841.40	0.80-1.10lire dia	-1.52	2.85-3.35dis	-1.44
Norway	5.0845-5.0875	5.0855-5.0870	0.70-0.30ors pm	1.71	1.75-1,35 pm	1.47
Franca	4.2696-4.2835	4,2775-4,2800	1.05-0.95c pm		3.00-2.85 pm	
Swedan	4.3630-4.3665	4.3645-4.3655	0.70-0.50ors pm		2.35-2.13 pm	1.90
Jepen	202.80-203.80	203.50-203.70	1.35-1.25y pm		3.65-3.55 pm	6,8
Austria	13,584-12.604	13.584-13.594	7-64gra pm		21-12 pm	3.76
witz	1.6735-1.6765	1.6735-1.6745	1.48-1.44c pm	10.13	4.48-4.42 pm	10.45

	The Axi, Old III Provide					•	
٠	ZURICH—The dollar steadied in early trading as Europe de- cided to interpret the latest U.S. trade figures in a positive	CURRENC	Y RA	ATES	CURRENCY	MOVE	MENTS
- •:	manner. The change in accounting was "a little bit confusing," according to dealers, but the	Fabruary 28 Bank	Special Ilrawing Rights	European Unit of Account	Mar. 1	England	Margan Guaranty changes &
	trend was considered "quite- good." By late afternoon the dollar was quoted at SwFr 1.6740 against the Swiss franc, after touching SwFr 1.6785, compared	\$tarling	1,28917 1,53873 17,4876 37,7308	1,35636 1,61863 18,3990 39,6331	Starling	84,57 79,16 147,23 114,66	-39.9 -8.3 -16.3 +19.6 +16.1
t.	with SwFr 1.6685 late Wednesday. MILAN—Sterling rose to a record level against the lira at	Oenish K 8 O mark 3 Guildar 612 French Fr 2012 Lira 1012 Yen 312	7.87790 8.38690 8.37834 3.30547 1083.23 260,670	6,08254 2,30926 2,71000 3,78522 1139,34 274,384	Bwiss franc Gulider Franch franc Lira	150.68 195.16 123.17 92.44 34.17	+82.3 +21.0 -6.1 -49.4
	the fixing, tooching L1.702.10, compared with L1.700.15 previously. The dollar also improved and was fixed at L841.20 compared with L840.20 pre-	Nrwgn. K 7 Spanish Pes.: 8 Swedish Kr 61s	6,35221 89,0404	6,88487 83,6363 3,90383	8seed an trada we Washington agreen (Bank of England)	ighted cha	mber, 1971
1	viously. The D-mark fell to L453.41 from L453.82, and the Swiss franc to L502.10 from L503.92.	OTHER MAR	KETS			`	

OTHER MARKETS

Mar, 1	E.	. \$	į i	Note Rates
Argentine Peso	2223-2943		Austria	86.73-97.75
Australia Dollar Brazil Gruzelro	1.7980-1.7980 45.66-46.36	22.46-B3.00	Beigium	10.46-10.56
Finiand Markka Orack Orachma	8.033-8.043 72.883-74-779		France	
Hong Kong Dollar	9.77-9.79	4.8300-4.8350	Italy	1,670-1,720
Kuwalt Oinar (KI	0.630-0.360	0.2718-0.2763	Natharlands	408-418 4.00-4.10
Luxembourg Frc. Malaysia Dollari.	4.424-4.434	29.31-22.33 9.1860-B.1800	Norway Portugal	10.24-10.34 89.5-96.5
New Zealand Tir. Saudi Arab, Riyal	1.2130-1.B210	0.9477-0.9497	20an	139-3-144.6
Bingapore Doller.	4.3714-4.32	2.1853 2.1665	Switzerland United States	
Sth. African Rand	1.7003-1.7116	0.8402-0.8458	Yugoslavia	41.43

EXCHANGE		
	'	
CVCUANCE	CDACE	DATEC
CAUTAINGE	CRUSS	AM 1 (23)

Mer. 1	PoundSterling)	U.S. Dollar	Deutschem k	Japan'se Yan	FranchFranc	Swiss Franc	Outch Guild'r	Italian Lira	Canada Dollar	Belgian Fran
Pound Sterling U.S. Poller	0.494	-2.024 1.	3.756 1.856	203.2	. 8.63B 4.278	7.390 1.675	4.033 2.003	1702. 840.9	2,400 1.186	39.33 99.33
Doutschemark Japanese Yen 1,000	0.286 2.424	0.538 4.905	2,103	1000.	2.306 20.B2	0.203 8.218	1.079 9.824	453.1 4123.	0.839 3.812	16.8t 143.9
Franch Franc 10 Swiss Franc	1.135 0.29S	2,337 0:597	4.337 1.108	476.3 121.7	10. 2.554	* 8,216 t.	4.681 1.183	1965. 301.2	9.772 0.708	62.55 17.31.
Dutch Guilder tailan Lira 1,000	0.242	1.189	0.927 2.207	101.8 242.4	2.136. 5.068	0.837 1.992	2.382	419.2 1000.	0.692 1.411	14.63 34.88
Canadian Pollar Belgian Franc 100	n.417 1.686	0.843 3.409	1.363 8.327	171.9 695.0	3.607 14.39	1.415 3.712	1.589	709.0 2867.	1. 4.044	24.73 ¹ 100.

EURO-CURRENCY INTEREST RATES

Mar. 1 Storf	ng U.S. Dollar	Canadian Dollar D	utch Gullder	Swiss Franc	West German Mark	French Franc	Italian Ura	Aslan \$	Jepanese Yan
7 day's notice. 13 Month 1276 hree months 1276 Six months 1176	12-7 1066 t078.	834-234 834-234 1012-1078 1014-1174 1034-1118	74-712 74-712 77-74 77-74 7-74 7-74	74 - 12 14-12 18-14 14-58 14-58 54-78	- 378 4 578 4 578 4 578 4 478 478 478 478	612-634 612-634 714-739 734-8 834-9 910-815	7-10 1014-1114 1134-1234 12-13 1912-1312 13-14	1018-1014 1024-1012 1054-1013 1072-10-4 1118-1112	- \$ 4:5 14-258 212-314 3:5-314 443, 334-43

The following naminal taxes were guided for Loodon deliar certificates of deposit: one manth 10.35-10.45 per cent; three manths 10.35-10.65 per cent; examents 10.90-11.00-per cent; and year-10.85-10.95 per cent.

Long-term Eurodeliar deposits: two years 102-103 per cent; three years 104-103 per cent; leur years 103-103 per cent; five years 103-103 per cent nominal closing rates. Short-term rates are call-for sterling. U.S. dollars and Cenadian deliars: two-day call for guidens and Swiss france. Asian rates are closing rates in Singapars.

INTERNATIONAL MONEY MARKET

Further rise in Paris rates

PARIS—Following Wednesday's money rates showed a rather move to increase the discount roo Treasury hills, the French call money easing to 4.0-4.1 per authorities yesterday lifted the discount rate for one-month a further 1 per cent to 54 per cent. While day-to-day money remained at 61 per cent, one-month money rose to 616-617 per cent and three-month money was also farmer at 75-75 per cent. The six-month rose to 4.35-4.95 per cent. The six-month rate was quoted at MILAN—Money rates for one-month and \$1.81 per cent for \$1.71 per cent, up from 71-71 per cent, up from 71-72 per cent, up from 71-73 per cent, up from 71-74 per cent and 1.2-month money was again unchanged at 71-75 per cent while other rates were quoted yesterday after Wednesday's charp rise as a result of tight liquidity. Call money fell to 71-73 per cent from 3.95-4.05 per cent from 71-8 per cent from 71-8 per cent. The three-month rate was unchanged at 4.2-4.3 per cent. However, 12-month money fell from 4.30-4.40 per cent. However, 12-month money fell from 4.95-5.05 per cent on Wednesday's call money easing to 4.0-4.1 per cent and discount rate for one-month money fell to 71-74 per cent from 3.95-4.05 per cent. While six-month rose to 4.35-4.45 per cent. However, 12-month money fell from 4.95-5.05 per cent on Wednesday's call money fell to 71-74 per cent from 3.95-4.05 per cent from 71-8 per cent from 71-8 per cent from 4.2-4.3 per cent from 71-74 per cent from 4.2-4.3 per cent from 71-75 per cent and three-month money was also michanged at 4.2-4.3 per cent. However, 12-month money fell from 4.95-5.05 per cent on Wednesday's call money fell to 71-74 per cent from 71-8 per cent from 71-8 per cent from 4.2-4.3 per cent from 71-75 per cent and fill from 4.95-5.05 per cent on Wednesday from 71-75 per cent from 4.2-4.3 per cent from 71-75 per cent from 71-76 per cent from 4.2-4.3 per cent from 71-76 per cent from 71-76 per cent from 4.30-4.40 per cent from 71-76 per cent from 71-76 per cent from 4.30-4.40 per cent from 71-76 per cent from 71-76 per cent

UK MONEY MARKET

MLR falls to 13%

Weaker

Gold fell \$2\frac{1}{2} to close at \$248\frac{1}{2}49\frac{1}{2} after a fairly quiet day. The metal opened at \$249\frac{1}{2}50\frac{1}{2}, the highest level of BRUSSELS—Deposit rates for the day, and was fixed at \$248.30 in the Belgian franc (commercial) in the morning and £248.80 in were quoted yesterday at 71-71 the afternoon. The lowest point ner cent for one-month, 71-8 per touched was \$2471.2481, after New York began trading. In Paris the 121 kilo har was

fixed at FFr 34,800, per kilo Mar. 1 ; Fabruary 26

Gald Builion (fina ounca) .
Closa524834-24912:823114-952
Tipening \$24934-25012 \$85012 83114
Marning 5249,30 5250.90
fixingx£183.306) \£123.962(
Afternaan \$248.80 \$331,30
Txing £122.967 (£124.291)

Gold Cains, demestically Krugarrand, 5871-973 | 5276-281 | (£134)-136) | 121512-13812 | 12563-714 | 57012-7214 | 57012-7214 | 57012-7214 | 575-77 | 57312-7713 | (£2712-3514) | (£2712-3514) Bank of England Minimum

Lending Rate 13 per cent:
(since March 1, 1979)

The Bank of England reduced

MLR to 13 per ceof from 14 per cent yesterday, much in line with market expectations.
Discount houses buving rates for market was faced with the line line with market expectations.

Gold Coins, Internationally Gold Coins, Internationally
Krugerrand, 325312-25712-3254-266
| \$126_-127_1 | \$12512-19612
| \$644-6612 | \$55-57
| \$50vereignate232-30 | \$2324-3314|
| \$75-77 | \$74-76
| \$50vereignate37-36| (£3612-2712)
| \$80 Eagles__\$315-320 | \$317-522
| 310 Eagles__\$115-178 | \$174-178
| \$5 Eagles__\$1312-125| = 12-013-5

(\$251.36 per ounce) in the morn ing, compared with FFr 34,800 (8253.41) Wednesday morniog. lo Frankfurt the 121 kilo bar vas fixed at DM 14,920 per kilo (\$249.30 per ounce), compared with DM 14,965 (\$251.49) pre-

with market expectations. Discount houses buying rates for three-mouth Treasury bills were quoted at 11½ per cent, indicating an MLR of 12½ per cent indicating and with the prezent character is excess of revisous transfers to the Exchequer over disbursements. The market was faced with the repayment of Wednesday's exceptionally large advances and a moderate excess of a very large shortage, to 3½ per cent just before the official announcement on MLR. Rates then tended to ease to 12½ per cent indicating and with the prezent character is to the Exchequer over disbursements. The market was faced with the repayment of Wednesday's exception to the indicating and with the prezent character is to the Exchequer over disbursements. The market was faced with the repayment of Wednesday's exception to the indicating and with the prezent character is to the Exchequer over disbursements. The market was faced with the repayment of Wednesday's exception to the indicating and with the prezent character is to the Exchequer over disbursements. The market was faced with the repayment of wednesday's exception to the indicating an open cases of a very large shortage. LONDON MONEY RATES

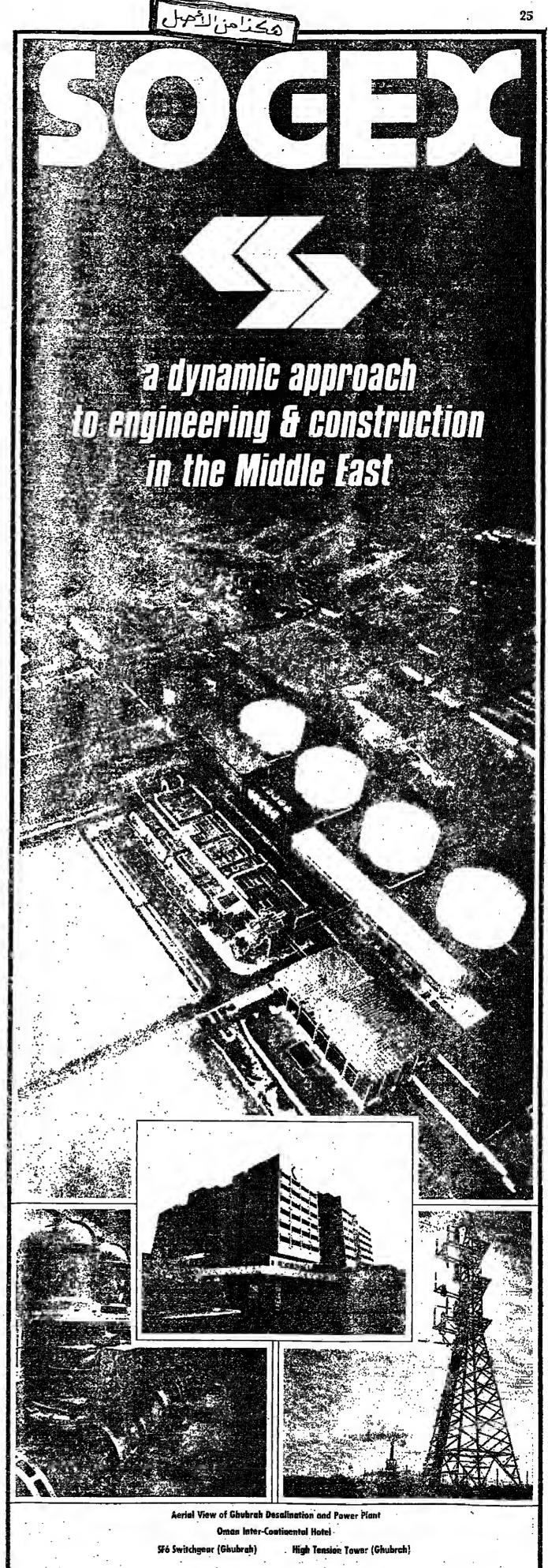
Mar. 1 1979	Sterling Certificate on deposit	Interbank		Local Auth. negotiable bonds	Finance House Deposits	Company		Treasury	Eligibia Bank Bilis 4	Fine Trade Bills &	
Overnight	- 13 1278 12 14 12 12 12 12 12 12 12 12 12 12 12 12 12	1854-1378 1354-1378 1372-1854 1212-1854 1256-1218 1154-12 1113-1113 1154-1178	134-124 134-1378 134 131-1386 12-1258	13-1314 12 ⁵ 4-13 12 ¹ 4-12 ¹ 2 111 ₂ -11 ⁷ 8 12 115 ₆ -18	1414 1334 1314 1319 12 12	14 1414 1516	12-127g	_ _ 1tf:-12,1	1276 1619-12.3 12 1119-1174 —	1212	

Local autherity and finance hauses seven days' natice, athers seven days' fixed. *Long-term local authority martgegs rates naminally three years 12½-12½ per cent; four years 12½-12½ per cent; five years 12½-13½ per cent; five years 12½-13½ per cent; five years 12½-13½ per cent; four-menth trade bills 12½ per cent. Buying rates for four-menth trade bills 12½ per cent. Approximate ealling rates for ene-menth Treasury bills 11½ per cent; two-menth 11½ per cent; three menths Approximate ealling rate for ene-menth benk bills 12½ per cent; two-menth 12½-12½ per cent; and 11½-12½ per cent; and three-menth 11½ per cent; and three-menth 11½ per cent; three-menth 11½ per cent; and three-menth 11½ per cent. The cent is a seven days notice 11 per cent. Clearing Bank Rates for landing Clearing Bank Deposit Rates for landing rates at discount 12.2281 per cent.

MONEY RATES NEW YORK

Life to 1 mint	
Prime Rate	17.5-11.75
Fed Funds	10.0525
Treasury Bills (13-week)	9.43
Treasury Bills (13-week) Treasury 2ills (25-week)	9.49
GERMANY	
Oiscount Rate	3
Ovamight Rate	4.05
One month	4.05
Three months	4.25
Six months	4.40
FRANCE	

The market was faced with the repayment of Wednesday's exceptionally large advances and a moderate contact of a war large large for the fore-



INTERNATIONAL LTD., (OMAN).

Wall St. modestly firmer at mid-session INVESTMENT DOLLAR PREMIUM \$2.60 to £1-85\sqrt{688\sqrt{6}}\$ (\$88\sqrt{6}\sqrt{6}\$) Effective \$2.0236 \$41\sqrt{8}\$ (46\sqrt{6}\sqrt{6

at 1 pin, while the NYSE All Comoton Index rallied 16 cents to \$54.09 and gaining issues outnumbered declines by about a three-to-two ratio. There was a contraction in turnover to 16.56m shares from the previous day's

1 pm figure of 18.7am.

The fall in the Index of Leading Economic Indicators for the third consecutive month was expected by investors, and is not necessarily considered bearish news, one analysi said.

He noted that some investors see the drop as an indication of needed slowing of inflation.
Analysts said there appeared climbed 9.3 to 1,993.0. Metals a needed slowing of inflation. to he little reaction to unconfirmed rumours that Soviet 0.07 to 161.38. Golds, however, on weaker Bullinn prices, reacted troops had entered China.

Motor, Aircraft, Utility, Transportation, Copper and sume portation. Copper and sume 12.3 to 1.600.2 after Wednesday's Aluminium shares gained ground. advance of 15.0, while Utilities Boeing advanced \$1 to \$632. McGraw-Hill gained to 825; American Express's proposal to 2: to CS118; Texaco Canada 1; Matsushita Electric Y13 to Y655,

NEW YORK

Abbott Labs

Adebc Oil & Cas. Aetna Life & Ca.,

Air Products. . .. Alcan Aluminium

Amer. Airlines. 111a
Amer. Srands., 4912
Amer. Broadc'st. 54
Amer. Gan. 5515
Amer. Cyanamid
Amer. Olst. Tal.. 23
Amer. Ciect. Pew
Amer. Elect. Pew
Amer. Express
Amer. Express
Amer. HemePred
Amer. Medical 27
Amer. Medical 27
Amer. Metars... 612
Amer. Stundard. 4012
Amer. Stundard. 4012
Amer. Sturea 44
Amer. Sturea 44
Amer. Tol. & Tel.. 6112

Amer. Stores 44 Amer. Tel. & Tel.. 611 Ametek AMF.....

Bect'n Bick'nson 318

oise Cascade...

activity, with rises exceeding losses by 222 to 164. Volume

1.68m shares (1.86m).
The mast active Amex issue,
Brin n "A." were off t at \$18t.
America other actives, Resorts
International "A" shed t to \$46t
hut Pelychrome added \$1 at \$25.

Canada

Corning Class... 50½
CPC Int' matione
Crane Co... 09¼
Crocker Natl 26
Crown Zellerb h. 35
Cummina Engine 33
Curtiss Wright... 14½

Stocks also displayed a hias to higher levels on Canadian markets yesterday morning in a moderate husiness. The Toronto Composite Index improved 1.4 to 1,386.8 at noon. and Minerals put on 3.5 to 1,249.8, Banks 0.69 to 309.52 and Papers

Dome Petroleum moved ahead

Block

Nat. Oistillers..... 121₂ 121₂
Nat. Service Ind... 16 151₃
National Steel.... 511₄ 311₅
Nafemas 451₄ 451₂
NCR........ 521₃ 611₄
NCR........ 521₃ 611₄

39% 13% 25% 80% 21% 31% 15% 15% 45% 23%

were unconfirmed reports early in the day that the Soviets may send volunteers to Victoam.

China's failure to finalise trade cootracts with Japan and a sharp increase to the U.S. trade deficit with Japan in January were other market depressants.

The Nikkei-Dow Jones Average refreated 97.32 to 5,975.56, its lowest closing level since December 26 last year. The Tokyo S.E. index receded 5.90 to 442.85, while volume expanded to 370m shares from Wednesday's inoderate level of 240m.
Electricals, Vehicles, Steels and Heavy Electricals led the decline, with Sooy falling Y60 to Y1,500, TDX Electronics Y80

to Y1.710, Honda Motor Y12 to Y458, Toyota Motor Y13 to Y840,

Royal Butch...... 645g

51. Joe Minerals. 2078
\$1. Regis Paper... 2834
\$anto Fe Inds ... 5514
\$auto Fe Inds ... 5514
\$auto Invest.... 718
\$auxon Inds ... 434
\$chiltz Brewing... 10
\$chiumberger... 8654
\$CM ... 1919
\$cott Paper... 1638
\$cott Mrg... 124
\$cudder Bue Cap; 818

Southern Co...... 1312 1312 Seuthern Nat Res 341s 351s Southern Pacific 2712 2738 Southern Railw'y, 4812 4812

111

41g

an announcement.

Royal Bank put on 2 to C840; and Baok of Mootreal 1 to C824.

Tokyo

Share prices fell sharply over a broad front in fairly active trading on iocrcasing uncertainty over Soylet intentions in the Sino-Vletnamese condict. There were unconfirmed reports early in the dow that the Soylets market mood, but apiece.

In stock prices yesterday on the Budget proposals, with investors cause many prices to weaken.

Mactine Manufacturers took cause many prices to weaken.

Mactine Manufacturers took cause many prices to weaken.

Mactine Manufacturers took some of the heaviest losses, with KHD and Llode falling DM 5.

Index, after the recent uptrend, and Mannesmann DM 1.50.

Among Motors. Volkswagen retreated DM 2.70, while BMW apiece.

The Hong Kong dollar fell against the U.S. unit, further dampening the market mood, but apiece.

Particular to weaken.

Among Motors. Volkswagen and Daimler shed DM 1.50.

Particular to weaken.

Share prices fell sharply over a broad front in fairly active and barbook receded DM 2.50.

Utilities held steady on Budget promises of new housing pro-Among Properties, Hong Kong

Jardine Matheson receded 20 cents to HK\$11.40, Hutchison Whampor 7½ cents to HK\$4.025, Swire Pacific "A" 25 cents to HK\$7.80 and Wheelock "A" 10 cents to HK\$2.775 ex-dividend.

Germany Reports that the Soviet Union may send volunteers to fight in Vietnam against China triggered

CANADA

Calgary Power... 49
Camfie Mines... 144
Canada Comant 1254
Canada NW Lan. 858
Can.Imp. 8k.Com 28

Chieftain...... 33

Chieftain 35
Comineo 351
Cons. Bathurst 135
Cons. Bathurst 135
Consumer Gas. 181
Costain 123
Dano Pevel 103
Denison Mines 221
Dome Mines 1041
Dome Petroleem 1151
Dominion Bridge 301
Dommar 251
Folloon ge Nickel 301
Ferd Motor Can., 188

Pacific Petrol m | 16478 | 16418 Pan CanPetrol m | 44 | 4872 Petino | 21 | 12012

Dentsche Bank lost DM 1.50. The downtrend in Chemicals was less noticeable, although Degussa shed DM 2.00.

Land declined 20 cents to Among Electricals. Brown HK7.45. China Province 80 cents Boveri fell DM 5 and Siemens Wharf 25 cents to HK\$30.25. The Domestie Bond market, Hang Seng Bank lost HK\$4 to HK\$190 and Hong Kong Bank dimprovement, with Pohlic Authority issues recording gains to 40 pfennigs. The 10 HKS18.10 and Hong Kong DM 1.70, but Varia rose DM 1.
Wharf 25 cents to HK\$30.25. The Domestie Bond market. ranging to 40 pfennigs. The Regulating Anthorities sold a nominal DM 72.4m of paper in Frankfurt compared with sales o! DM 8.9m the previous day. Mark Foreign Loans were mixed.

Due to a continuing strike by Paris Bourse employees, no share price quotations were available for the third consecutive day. The Bourse employees have now veted to extend their strike action until next Thursday, the union committee stated. The stock exchange may have to remain closed until that date nu-less the stockbrokers association and brokerage concerns come forth with new proposals to meet wage demands put forward by

Australia

Karstadt Kaufhef Klockner OM. 180

KNII Krupp IIM.100... Linde IIM.100... Lo'brau IIM.100... Lufthansa

M.A.N.
Mannesmann....
Metaliges
Munchener Rck
Neckermann ...
Preuss gnm100
RheinWestElect

AMSTERDAM

strikers.

Renewed demand from offshore huyers spurred BHP and a account of dealers squaring their number of other leading stocks ahead yesterday and led to year-end. generally firmer market conditions. The Sydney All Ordinary 13 cents of its recent strong rise Index rose 4.95 to 587.67.

NOTES: Overseas prices shown below exclude S premium. Belgian dividends are sher withholding tax.

4 0M 50 denom, upless otherwise stated, yields based on net dividends plue tax.

▼ Pta 500 dsoom, unless otherwise q 5here

SWITZERLAND .

Price + er Div. Yid.

150 0.6 150 0.2 600 2.1 1,200 3.0 100 7.0 80 8.0

Acesita ..

Turnavai Cr. 41.6m. Seurca: Rio do

42 -1 621.5 -4.0 2.754 -10 0.190 -25 196.5 -2.6 28.950 +250 457 -4.25 35.300 +100 1 181 -2.25 1100 +9 1.869 -28 394 -9 1.002

CSR also turned in a strong performance, rising 10 cents to AS3.60, while among Banks, AN2 advanced 10 cents to AS4.30 and BNS Wales 6 cents to AS3.48.

Rumours of further promising resolts from the Ashton diamond prospect boosted CRA 10 cents to A\$3.72 and its partners in the venture — Ashton Mining ond North Mining—2 cents to AS1.13 rket, and 5 cents to A\$1.20

Following its improved profits end the official go-ahead for the Yeelirrie uranium project Western Mining rose 6 cents to AS2.28 in beavy trading. Consolidated Gold Fields

added 10 cents at A\$3.90 on the strength of a 75 per cent interim profits increase, while its mineral sands subsidiary, Associated Minerals, gained 5 cents more to A\$2.00.

Concern over moves by individual OPEC countries to raise oil prices directed huying to selected Coat stocks, with Thiess climbing 10 cents to A\$2.70 and Utah 5 cents to A\$4.30. Oakhridge, despite lower interim profits, put on 5 cents to

Johannesburg

Gold shares were modestly easier in line with Bullion indications. Trading was very qulet pending clarification of the South West African issue and also on positions ahead of their financial

De Beers, R9.47, relinquished awaiting the final results.

c Cents, d Olvidend after pending rights and/or sorie issue. c Per share. I Francs. e Gross div. %. It Assumed dividend etter scrip end/or rights issue. It Alter local texes. m % tax fras. 2 Francs including United div. e Nom. e Share split. s Div. and yield exclude

Indices

NEW YORK -DOW JOKES

\ <u> </u>	E.b. Sab		Feb Feb Fe		FAR		8-79	3,nesC	d'lioteo
1	Feb. Fel 28 27	b. Feb.	23	22	21	High	Low	High	Low
• Industr'is	809.82 807.	.00 821.15	123.25	828.52	854,55	307.76	742,12	1251,78	41.23
H'me B'nds	. 84,50 84.	57 24,63	64.00	84,2 1	\$4,80	30.26 (8.1.75)	62521 84,8\$ (15.1 Hr)	, We is:	17. 3.25
Transport							1 36,61 (4.1.72)	275 B	12.11
₽ ###	102.50 102.	28 105,45	104,18	104,43 :	194,35	17 0,52 (1.س	67,73 1.0 1.5	183,32	10.50
Trading vol	25, 170 31,	170 22,629	22,845	26,255	28,140		'	-	-
+ Day's high	811.70 to	w 502,2	3						
			eb. 33	F	b. 16	Feb	. D Y	AT #80 I	SOCTO-

◆ Day'e high 811.70 low	802,23			
	Feb. 33	Feb. 16	Feb. 9	Year ago ispor
ind. dıv. yield 🦫	5,95	5,91	0.95	5,14

_	1,142.41		·	·	5,95	: 5,1)1 	0,45		0,14	
e 2	STANDARD	AND P	DORS.					,		,	
đ		Feb. :	Feb.	Feb.	; , Feb. 23	Feb.	Feb. 91	1976 N/8h		SinceC High	·
d	industis (Composite	107.26	107,08	104.67	108,96	108,64	104,61	118,71	85.52	234.64	2.55
e	Journpanie							, 12·51	(8-\$)	1121306	11 .6.5

Feb. 21 : Feb. 14 Feb. 7 5.07 5,10 6.47 5.07 ing. div. yleid % 8,98 8.80 8.45 . R.01 8.98 8.96 8.27 Long Gov. Bond Yield 9.01

Issues Traded . 1,835 1,877 1,823 Rises . 645 172 537 Falls . 750 1,419 796 Unchanged . 435 286 480 Feb. Feb. Feb. Feb. Nigh Low 42 02 63 98 54 78 54 88 50 38 48 37

33,33 33.00 34.10 34.01	111.2)	16,) N		9 39	8 19 30 18			
MONTREAL	·				1978-79				
	Feb 28	Feb. 27	Feb. 20	Feb. 23	High	Low			
Industrial Combined	253,82 256.11	253,62 258,56	255,48 258,66	235,20 287,78	236,45 (21,00 kg) 236,59 (21,0 Mg)	152,50 (\$5(0) (178,62 (\$0))			
TORONTO Composite	1385.4	1385,8	t593.6	t392,8	1395, t (21/2/79) .	\$98.2 (50 1)			
JOHANNESBURG Gold	279.4	281,1	283.2	286.6	298,7 (7:0.79)	1888 (33.4)			

Spain | | - | 98.15 100.27 13.03

Sweden (e) 355.07 APR. 10 (6.2) 32.76 (6.2) 13 h Bwitzerlder 3tl.1 312.6 37.47 bt.6. Oec. 1953. §§ Amsterdam Industrial 1970. ¶ Hang Seng Bank 31,7. §§ Benca Commerciale Italiane 1972. a Tekyo New SE 4/1/58, a Strans-times 1966. c Cleage. d Madnd SE 29-12/78. e Stockholm Industrial 1/1/58. I Swiss Besk Cerporation. u Unaveil-eble. Holland (151 79.1 79.1 95.1 Hong Kong 517.34 528.57 107.70 333.4 [54] Hong Kong 517.34 528.57 107.70 333.4 [134] 1541 76.50 76.46 52.53 52.45 (254) 1541 76.50 76.46 52.53 52.45 (254) 16071 Japan (a) 442.63 448.75 462.97 364.04

WEDNESDAY'S ACTIVE STOCKS Singapore(b) 349.17 349.83 414.50 283.0 18.11 Stocks Clesing on Iraded price day 3 440,900 5°4 + 1 312,300 40°4 + 2 301,100 12°4 + 2°4 Penn Cen. Phi. 8 440,900 Pelaroid 312,300 Rorer Groue 301,100

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GERMANY +			токуо ¶			٠.	·	AUSTRALIA			STOCKHOLM			•	<u> </u>
Mar. 1	Price + er OM	Oiv. Yid	Mer. 1	Prices Yen	+ er		nd.	Mar. 1	Aust. S	40	Mar. 1	Price Krongr	+ or	Div. Kr.	Yld.
AEG	477 —4 223.5—1.5 135.3—0.2 136.4—0.3 274.0—2.5 284.0—2.5 205.0—0.5 07.7—0.8 308.5—1.2 245—2 163.5 278.0—1.5	31,2 3,3 28,12 6,3 16,76 0,9 18,76 6,2 28,12 5,1 28,12 5,0 26,56 0,4 28,12 4,5 26,56 5,4	Asahi Glass	810 571 538 634 250 468 271 240 1,500 099 2,940 1,150	-1 -2 -30 -14 -24 -8 -12 +1 -8 -30 -10	12 85 20 18 15 12 18 35 12 30 13	2.0 1.1 1.5. 2.7 1.2 2.4 2.0 1.8 2.4 2.0 2.6 2.7	ACMIL (25 cents) Acrow Australia AMATIL 51 Ampol Excloration Ampol Petroleum Assoc. Minerals Assoc. Puln Paper 51 Assoc. Con. Industries A.N.1. Austr. Foundation Inv. Aust. Foundation Inv. Burboo Creek Gold. Biue Motal Ind.	10.70 11.03 12.08 11.48 10.70 12.25 11.83 11.75 10.53 11.01 10.95 10.12 12.25	-0.02 -0.03 -0.04 +1.05 +0.01 +0.01 -0.02 -0.01 +0.01 +0.03	AGA AB : Kr. 40:, Alfa Lavalikr, 50 ASEA: Kr. 50:, Atlas Co co Kr25 Billerud Bofers Cardo Cardo Caldos: Elec'lux'8' (Kr50 Ericason B (Kr50 Enseito Free). Fagarges (Free). Handelsbankeil Marabou	152 74.5 100 53 120 181 245 103 155 304 118 55 356 152	-3 -5 -13 -3 -1 -1	8 5.76 10 5.25 8 4	3.2 6.7 6.8 3.1 5.2 5.0 4.6 2.6 3.3 6.2 5.3

. 284.0-2,5,28,12, 5.0	Nonga Motors 468	-12 1		Assoc. Pulp Paper \$1	12.35		Cellulona			
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07.7-0.8 - -	G. Itoh 240	-8 1 1		A.N.I.	11.75	+0.01	Ericason B (Kr50: 155	-1 5		
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' 217.5m-1.7 18.26 4.1	Kyoto-Ceramic . 3,840	-100 3		Bouga inville Copper		+0.02	Mo Och Comsio 60			
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328.0 0.5 23.44 3.6	Nippon Ocnso 1,250	-50 1		Cockburn Cement	†1.28	41100	. –		-	
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88.0'-0.5!	Nissan Motors 074	_i i		Cons. Goldfields Aust		FO. 70	OSLO			
202.6-5.0 18.75 4.5	Pioneer 2.190	-50 4i		Container (\$1)		******				•
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200.5.—3.0 18.76 4.5	Taisho Marine. 238	1 4		Elder-Smith	19.85	-0.06	Borreguard · 75	-2		
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542 +8 28.12 2.0	Teilin	5 10		Hamorsley	49 ZE		Nersk NydroKr8 249,		3.8	
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OR	:1.00	-0.05	Bergen Bank 109 -0.5	8 8.2
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amar Minerals	10.13	}		
Neldings	13.24	+0.02		-0.15
a Emporium	+1.84	+0.83		
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plas international	17605	+9.01	Harmony 1.95	-9.07
oken N'dings (50c).	11.60	1+0.0 I	Harmeny 7.80 Kinroas 25.90	-0.10
ridge	†1.5 3	+0.05	Klooi	- 9.05
BRICH	10.11			-0.10
Exploration	10.41	148.01	Rustenburg Pielinum . 3.12 5t. Nsiene	- 9.03
er Concrate	11.40	+0.0t		
tt & Colman	12.70		Southysel 11.30	
Sleigh	10.63	+0.01	Geld Fielde SA 33.50	~0.50
land Minleg	10.00	-8.61	Union Corporetion 7.00	
os Exploration	10.41		ne Seare Celerred 9.47	-9.13
as Nat. Trans	11.45	+0.02	2lyvoorultzichi 6.90	
10 (\$)	11.88	0.02	Egat Rand Pty 6.15	-0.05
ne	10.73		Free State Geduld 133.50 President Grand 18.50	-9.80
ern Mining (50c)	12.28	+0.06	President Grand 19.50	- 1
worths	11.64	+0.00	President Steyn \$15.00	-0.30
			Gilleniain	-0.05
		•	Weikom 9.40	- 0.06

N.C. Sleigh		. to	.63	+0.01	Union Corporation	7.00	0.30
Southland Minie	8	.) +0		-0.01	De Seare Onlerred	9.47	-9.13
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I Inomas Nat. T	CRDS.	.1 +1	.45	+0.02	Enat Rend Ptv	0.50	-0.05
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				TO.001	444.14	7.90	-0.05
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Air Liquide	376.5	+1.5	1 6	47	LIVERIMONIA	3 000	
Aguitaine	459 m	+12	28.05	7.7	Cume Finance	0.92	
RIC	54a	T	12.2	3.0	J US BOOKS Industrial	4E 96	
Rouvouse	790	ו גדו	10.00	2.6	Edgars Censeld, Inv	13.43	-9.02
C C N Commis	4774	72.	1 42	0.0	Edgera Stores	3.60	
O.S.N. GOLASIA	7/4-9	3.1	40.5	8.0	Fuor Beads Ca	744.UU	-0,50
Carretour	1,701	+11	76	4.3	End Valley SA	12.8Q	
Li. C	575	+I	31,5	8.5	Evar Rssdy SA	2.05	-0.05
G.I.T. Alcate	386	+2	70,25	7.8	Dian corners 200484	3 763	
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Cr'dit C'm Fr'est	133		10	0.0	McCarthy Redway	0.75	
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Numez	021	+14 i	22 m	[~	OK Basners	7.70	-9.27
Fr. Petroles	138	-1.4	74.1	12.0	Premier Milling	6.00	
Fr. Petroles Den. Occid'nt'le	260	7.21	-7.	10.2	Pretoria Cement	4.30	
	-00	-0.5	10.0	4.9	Protes Neidings	1 50	+0.01
Imetal	07.8		6,7	8.9	Rand Mines Properties	0.50	-0.05
Jacques Borel	108.5				Bembrandt Croue	2.30	-0.10
Lafarge L'Oreal Legrand Maisons Pheonx	928	+9.9	18,77	7.3	Rateo	3.73	-9.02
r Great	688		16,38	2.3	Sage Holdings	0.35	-0.02
Legrand	1,622	—17 I	36.75	2.5	SAPOI	1.00	-002
Maleons Pheonx	009	_4	30 0	77 6	C G Series Course	2.80	-0.05
Michelin "B"	L,022	+99	375	3.5	C. W. Smill Sugar	6.00	
Michelin "B" Moetilennessey	485	+99	12 N	25	Premier Milling Pretorie Cement Protes Neldinge Rand Mines Properties Rembrandt Croue Ratco Sage Holdings SAPPI C. G. Smiln Sugar SA 2roveries Tiger Oats and N. Min.	1.29	-0.02
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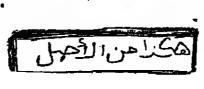
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EUROPEAN OPTIONS EXCHANGE 20 8 22 10 03 --8 5 106 25 12 4 5.40 '<30ï 6 2.50 2 0.90 16 0.20 2 9.70 - - 5 1,10 112 2 2 . 6 19 0.60 405 6 46 5 8 5 5 12 12 0.40 August ۶70 **۶100** _ TOTAL VOLUME IN CONTRACTS t466

A.B.N. Bank
Henry Anshacher 131% Associates Cap. Corp. 14% Banco de Bilhao 131% Baok of Credit & Cmce. 131% Bank of Cyprus 131% Bank of N.S.W. 131% Banque Belge Ltd. 14% Banque Belge Ltd. 14% Banque Belge Ltd. 14% Barclays Bank 134% Bremar Holdiogs Ltd. 141% Brit. Bank of Mid. East 131% Brit. Bank of Mid. East 131% Canada Pero't Trust 131% Canada Pero't Trust 131% Cayzer Ltd. 14% Ccdar Holdings 131% Charterhouse Japhet 12% Charterhouse Japhet 12% Charterhouse Japhet 12% Choulertens 131% Cn-operative Baok 131% Consolidated Credits 131% Conoperative Baok 131% Corinthian Securities 131% Corinthian Securities 131% Corperative Baok 131% Corinthian Securities 131% Corinthian Sec
First rid. Fin. Corp 17 to 7-day degasts 11%, 1-menth

	
RASE LEND	ING RATES
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A.B.N. Bank 131%	■ Hambros Bank 131%
Allied Irish Baoks Ltd. 131%	■ Hill Samuel
Amro Bank 134%	C. Heare & Co
American Express Bk. 134%	Julian S. Hodge 141%
A P Bank Lid 131%	Hongkong & Shanghai 131%
Henry Anshacher 131%	Industrial Bk. of Scot. 131%
Associates Cap. Corp 14 %	Keyser Ullmann 131%
Banco de Bilhao 131%	Knowsley & Co. Ltd 141%
Baok of Credit & Cmce. 131%	Lloyds Bank 131%
Bank of Cyprus 131%	London Mercantile 131%
Bank of N.S.W 131%	Edward Manson & Co. 141%
Banque Belge Ltd 14 %	Midland Bank 131%
Banque du Rhooe el de	■ Samuel Montagu 131% ■ Morgan Grenfell 131%
le Tamise S.A 14 %	Morgan Grenfell 131%
Barclays Bank 134%	National Westminster 131%
Bremar Holdings Ltd. 1416	Norwich General Trust 131%
Brit, Bank of Mid. East 131%	P. S. Reison & Ce 131%
Canada Peror't Trust 131%	Rossminster 131% Royal Bk. Canada Tst. 131%
Cayzer Ltd	
Ccdar Holdings 134%	Schlesinger Limited 131% E. S. Schwoh 144%
Charterhouse Japhet 12 %	Security Trust Co. Ltd. 141%
Choulertens 134%	Shealey Trust 15 %
C. E. Coates 131%	Shedley Itust
Consolidated Credits 131%	Trade Dev. Bank 13196
Cn-operative Baok 131%	Trustee Savings Bank 131%
Corinthian Securities 131%	Twentieth Century Bk. 144%
Credit Lyonnais 133%	United Bank of Kuwait 131%
Duncan Lawrie 131%	Whiteaway Laidlaw 14 %
The Cyprus Popular Bk 131%	Williams & Glyn's 131%
Eagil Trust 134%	Yorkshire Bank 134%
English Transcont 131%	Memberg of the Accopting Newses
First Nat. Fin. Corp 14 %	Commuttee.
First Nal. Secs. Ltd 14 %	7-day deepsits 11%, 1-menth
Antony Cihbs 134%	deposits 11% † 7-day deposite en euma el £10,000
Greyhound Guaranty 131%	end under 11% up to (25,000)
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Annual States Trans Act Al	A Adult was understally 11 to 1

1413	Mar. 1	Price Fla.	1+01	∵ Oľv.	· IYIG
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35 171 ₈	Aheld (FL20]	116.6		122	3.8
	Akzo (Fl.80] Alo'm Bk (Fl 100)	353	+0.2	123	0.7
8.36	AMEV (FI.10)	80.8	+0.2	50	5.0
2019	Amrob'k IFL20).	76.7	/	. 125	6.6
3.80 13	Bijenkorf	88	+0.7	26	5.8
611-	BokeW'stmiFi28 Buhrm' Tetter	73.5	+0.7	260	7.1
291=	Elsevier (F/80)	275.8	3	27.	9.0
193	Elsevier (F180) Ennia N.V. 8 rer	139.	+0.5	A37	5.4
012	EurComTst(Ft10	70.3	+0.7 +9.5 +0.5 +0.3	94.6	6.0
‡21¼ 10¼	Cistal Br'cad FI Nelneken (FI25t	99.0	-0.4 -0.1	20	0.0
014 4134	Noog'ne (Ft. 20)	31.5	+0.3	; ==	_
4134	Noog'ns (Ft.20) HunterD (Ft.100)	21.8	+0.3	1.2	5.6
1212	K.L.M. (Ft. 100) Int. Muller (Ft. 90	109.5	Ļ	43 12	و_8 ا
	Not Ned Inch 10	45 100 5	i+0.4	48	8.4
ed.	Nat Ned InsF110 NedCr'd8kF1.20	66.3	+0.2	91	4.4 7.6
	I NedMidRk/Et 70	208.6	⊢2.5	22	0.5
	Oce (F1.20)	171.6	+0.4 +0.2 -2.5 +1.6	38	4.4
	OGEM (FLIO)	07.7	0.4	24	8.5
<u> </u>	Van Ommeren. Pakheed (FI.20)	188 49	1+1	_	<u> </u>
· i	Philips (Fl. 10)	28 0	+0.4	17	7.3
- 1	RinSchVenEr100	38	⊢ 1.1		
13102	Robeco (FI.50)	168.1	-0.4	26.4	8.1
31%	Robeco (FI.50) Rollnee (FI.50) Roronto (FI.50)	184.5 102.2	0.6	, g .	=-
21.5	RoyalOutchFi20	122.2	TC #	21 7	3.8 8.3
3 %	Slavenburg	128.9 848 126	_ĭ~	28	8.1
31%	Slavenburg Tekyo Pac NidsS	126	0.5	\$0.50	0.0
31%	I Uniteres IET 2011	TYP'A	u.a	42.0	7.0
2170	Viking Res				6.0
31%	West life throats	424		33	3.9
	TYONG UNITED IN				
41%	товцов. нурок	707 ,			1 410
31%	менцов. нурок	767			<u> </u>
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Quota plan for sugar rival

U.S. about-face at

world pact talks

EEC ISOGLUCOSE manufac October, ruling that the Comturers can be expected to boost munity levy charged on isogin- three), taking the higher level. production from the present cose production at the time was depressed level if EEC Commission proposals for a new quota system are approved.

proposing, a system similar to munity (5 ua per 100 kilos) was that for beet sugar, with a levy- too high, hitting manufacturers free "A" quota, a "B" quota of isoglucose (high fructose subject to a levy, and a "C" maize syrup) more severly than quota which can be sold only sugar refiners who were passing outside the EEC. - ***

This compares with the sugar levy to beet growers. quota system in which the "A". The court did not suggest a quota is eligible for full EEC more appropriate levy, leaving price support, while the "B" quota carries a levy of 10.05 proposals. umts of account per 100 kilos, and the "C" must be sold on world market.

pean Court of Justice last 1977/78 or the four months to

Peak price

THE \$1 a lb price for copper

was reached for the first time

ever yesterday when Asareo.

the U.S. producer, announced

it was raising its price five cents from 95 cents a lb.

of weather problems hitting

supplies from two other U.S.

producers — Inspiration and Kennecott — boosted copper

prices on the London Metal

Exchange to the highest level since June 1974.

up at £1,021 a tonne, and

moved further ahead in late

trading.

last week.

£567 a tonne.

Cash wirebars closed £11

Inspiration said it was cut-

ting its copper deliverles in

March by one third, due to

beavy rains at its mines and

Kennecott, the biggest U.S.

copper producer, denied it had declared force majeure

on March shipments. But a :

spokesman admitted that a.

snowsterm had created prob-

lems in transporting copper

from its Baltimore refinery

Meanwhile the rise in copper belped lift lead prices to record levels. The

cash price jumped by £18 to

Buying interest was also

on nearby sup-

attracted by forecasts of a

posible tightening of the

This increase and reports

for copper

By John Edwards

The court accepted the principle of a levy but said the In essence, the Commission is amount charged by the Comon about 60 per cent of their

it to the Commission to make

Under the new system put forward by the Commission yesterday the "A" quota for isoglu-The Commission's proposals cose would be fixed on the basis follow a decision in the Euro- of production in either the year

BY BRIJ KHINDARIA IN GENEVA

In an about-face of policy

the U.S. yesterday acceded to

insistence by copper producing

countries that the only way to stabilise the volatile world

copper market is to have an

international arrangement built around a reaerve sluck

mechanism used to maintain

prices within an agreed range. After years of stubborn

resistance to producer country

demands for such an arrange-ment the U.S. came to negotia-tions here this week with a set of concrete proposals which

have run into opposition from

the producers.
Mr. Richard Ogden, U.S. chief

delegate at the copper talks, has

proposed that the reserve stock

should contain at least 'Im

tonnes and that the price band

should be wide enough to

In earlier rounds of negotia-tions the U.S. repeatedly con-

tended that it was not coovinced

of the need for a market

stabilisation arrangement and

insisted on the establishment of

a producer-consumer consulta-

been shelved. But the pro-ducers demands are still

widely different from those of

ether countries - Canada and Australia have still not rallied

to the new U.S. position and

The forum concept has now

tion forum.

cushion cyclical finctuarians.

A further levy-free amount, equalling up to 10 per cent of for 1979/80 would total between this total would be allowed for 125,000 and 175,000 tonoes. newly established manufac-

The "B" quota would be the same proportion of the "A" to 20 per cent in 1979/80.

The levy charged on the "B" quota would be fixed at 40 per cent of the levy charged on "B" quota sugar, since this is the proportion sugar refiners are estimated to be paying—the rest being passed on to heet

On the basis of the 1977/78 isoglucose production of 103,000

will iron ont demand and supply

imbalances by imposing curbs

on copper production and on copper exports in conditions of

over supply. With such a system the buffer stock will not

need to be very large and the

figures so far suggested by pro-

ducers fall well short of the

1m tonnes minimum sought by

French wheat

area estimate

PARIS-The French National

Cereals Office bas reduced Its

estimate of the total area sown

to soft wheat this year to 3.64m

bectares from its earlier esti-

mate of 3,95m. Last year sow-

The office estimates frost

destroyed 650,000 bectares of

ings totalled 4.16m bectares.

of expected resowings.

reduced

tonnes, it is estimated that the "A" quota (including the 10 per cent extra) and the "B" quota for 1979/80 would total between

The proposals have been sent to the Council of Ministers and are expected to be dehated in this year's farm price reviewquota as for sugar—currently They may meet stiff opposition 27.5 per cent, which the Com- from major beet-producing mission is proposing to reduce countries such as Fraoce and Belgium.

> Meanwhile, isoglucose manufacturers are unlikely to welcome this proposed restriction on output. However, it leaves them better off than they were under the previous levy system, introduced in 1977 which forced several manufacturers to reduce or abandon

More powers for Danish Fish Minister

By Hilary Barnes in Copenhagen A BILL giving the Fisheries' Minister extensive powers to regulate Danish fishing received Producers want a system that its first reading yesterday. Despite considerable opposi-

tinn, it will probably he carried by the votes of the coalition Social Democrat and Liberal Parties with the support of the Communists and the Left

The Bill will give the Minister power to license vessels to catch only certain species and only certain quantities of fish.

Bacon prices reduced

By Our Commodilies Staff BRITISH, IRISH and Ulster first-hand bacon prices have all been reduced by £45 to £1,065 a tonne, it was announced yesterday.

But the cuts may not be reflected in retail prices. Discounts of between £100 and £140 a tonne bave recently been offered on bacon from these origins and the lower first-band prices are more likely to mean reduced discounts than cheaper bacon in the sbops.

The reduction follows damage The Danish bacon price is caused by frost in December unchanged at £1,140 a tonne. and January, and takes account Traders said reduced supplies because of the Grimsby dock strike meant that the Danes bad little incentive to cut prices despite the present weakness of the market.

in London. Mr. Julian Wathem, group vice-chairman of Barelays Bank, said yesterday he was confident that the target of

£3m. would be reached. But he said the pledges were conditional on the Government contributing at least a similar Earlier this week the Greater London Conneil oaid it was willing to contribute £250,000 towards the project.

City backs

commodity

centre plan

By Our Commodities Editor

CITY INSTITUTIONS have

already promised about £1.5m

towards the cost of setting up

a world commodities centre

Butt be Government has not yet announced its decision about the support It is prepared to gire. Sponsors of the centre pointed out that it could be an important factor in attracting the proposed United

Nations commodity buffer stock fund to London, hringing considerable financial and employment benefits. It was claimed that Britaio

had a strong case for snggesting the huffer stock fund should be sited in London. But it would be considerably strengthened if the international commodity organisations were persuaded to stay in London with the provision

of a purpose-built centre to

meet their requirements.

Record UK sugar area contracted

By Our Commodities Staff

THE BRITISH Sugar Corporation bas already accepted contracts for record plantings of sugar beet for the 1979/80 season, Mr. John Becket, the corporation's chief executive, announced in Loodon yesterday There are still a few more

contracts to come, be added. Seed drilling is expected to start this month. In the 1978/79 campaign

1.02m tonnes of refined sugar was produced from plantings covering 204,000 hectares but beet which would have produced an estimated 13,000 tonnes was lost through frost damage.

In 1977/78 the corporation's sugar output totalled 952,000 tonces. Record production was 1.08m tonnes in the 1971/72 season.

UK FARMING

Wintering the ewes proves expensive

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

LAST WEEKEND provided just was little of the flushing to be replanted. emerge from the icy ground further to the east.

On my own farm frost has begins to come about the first but driving rain is a killer. reek of March, must be firmly discounted.

It bao been almost the most expensive winter for wiotering attention, and there is an everthe ewes that I can remember. In 1963 the snow and frost lasted longer, hut feed wao much My real worry is the effect cheaper and I now have a bigger of the winter on the autumnand better class of sheep.

year they have taken to the dry feed of hay and nats with enthusiasm. It is rather interesting that as soon as the snow is barleys used are of Continental cleared from the fields, the consumption of bay drops markedly, as the ewes forage around trying to find green

Recause of the generono feed- the frost. ing, though, they bave kept their condition well, and the few that have lambed are having very plant away from its roots. All good lambs and plenty of milk. my fields show losses of this So far very few have lambed, sort, but they are not sufficient simply because they did not come in season for mating as

This particular flock should February 22 and March 7. But colmir and die. they did not begio to go to ram for at least a formight.

a brief interval of spring and element in the pastures to rouse coincided with a trip to South the ewes. We knew this bad Devon where I sctually saw bappened, and hope that it will I am getting busy putting it on some grass which was green, not mean a reduction in the when I can. But the land has and not the miserable brown numbers born. So far the perbeen very sticky after the frost turf which is just beginning to centages are not high, with only has gone out, and it has not

I still lamb my flock outside, been almost constant since the and have provision for getting avoid wheel damage, and I may New Year, and any thought of them in if the weather gets too have to do the same. early grass for the eweo and bad. Lambs will stand any lambs, which in a normal year amount of frost, and even snow, Lambing in barns and other shelters is not as easy as It sounds. The ewes need constant

sown crops. So far in my own Big animals, of course, eat case, and from what I have seen more than small ones and this driving around the country, the winter barley and most of the

present risk of disease being

winter wheat is surviving well. The commonest wioter breeding and one would expect them in survive. In actual fact the damage is seldom caused by the plant being killed by cold, but by the mecbanical action of

In a bard frost the surface of the soil lifts and pulls the to cause a write-off.

Looking for this damage is a sooo as we turned the rams out depressing experience. The with them last autumn. depressing experience. The plants look all right, but if you The pull them they come away cleanly severed from the root. have started lambing on Febru- cleanly severed from the root, ary 15, with the neak between After 8 few days they lose

Wheat and barley bave great powers of recuperation and will The explanation is probably tiller well in the spring to fill that although they were in good the gaps. But in both Devon

The stimulus to tilling is nitrogen, and like most farmerstwo sets of triplets in the first been too easy to spread without making a mess. Some farmers are using aerial contractors to

I don't think there is any real oeed to panic yet, despite rather contradictory advice from the pundits, advisers and con-sultants who add confusion to the farming scene today.

One school advises early split dressings, another late dollops of the lot My own inclination is to work the cropo when soil conditions allow it without damage and not (o add the expense of aerial topdressing unless it is really necessary. In my case In any case there can be no growth until soil temperatures

The real worry is the grass. The Grought and the severe frost took a toll of the newlysown pastures, and the latest frost seems to bave aggravated the damage. Last weekend I thought the bulk of the area was safe but three savage frosts since have made them look very sick once more, mainly through. "lifting."

To safeguard the feed supply this summer I have delayed the enidevola pastures scheduled for spring barley. If necessary I shall graze them another year and plough up and replant the new pastures, not to grass again but to barley. All this will put my rotation

back a year. But in cases like this farmers bave to go along order the feed was very dry and io Hampshire I bave seen with the idiosyncracies of due to the drought, and there fields of wheat which will have nature, not confroot them.

Danes reject cut in pigmeat subsidy

BRITISH HOPES . of cutting worked out.

EEC Import subsidies on pig would out spurove any changes

in the way the subsidies were mark alone should be made to Pound."

"We cannot accept a change British Government has not meat from Denmark suffered in the calculation of pig meat made sufficient adjustments in a setback yesterday when Niels MCAs," he told a meeting of the Green Pound exchange Aoker Kofoed, the Danish delegates from co-operative rate." he said. "The British Agriculture Mioister, sold he abattoirs. "It can't be right that Den- general adjustment to the Green

BRITISH COMMODITY MARKETS

plies available to the market. prefer a consultation forum.

Inspiration force negative puebed the marker back to £1.034. It stayed around this lavel until the atternoon and then climbed to g day's high of £1.050 atimulated by the higher Comes merket, the Astroporter rise and -feat of U.S. production difficulties centred on rumours—later denied—of a Kennecott force majours. The close on the Kerb was £1.048.5. Turnover: 34.425 tonnes.

OOPPER Omela Tor D.m. Tor 1010.5.1 + 18 1020.22 1028.5 + 17 1038-9 1011 + 10 -

I.G. Index Limited 01-351 3466.

ART GALLERIES

BROWSE & DARBY, 19, Cork St., W.1. Philip Sutton—Recent Paintings. Last Week.

BASE METALS

three months £1.030. Kerbs: Wereberger cash £1.028, three months £1.044, 5, 3, 5, 6, 5, 5, 6, 6, 5, 7, 5, 5, 5, 6, 6, 4, 5, 5, 5, 7, 8, 85, 9, 50, 49.

Exchange although there was a drab start to trading when forward metal slipped from £1.031, to £1.027. But started al £7.230 following the rise in European and U.S. buying following the tib. East overnight and moved up in Inspiration force mejegre puebed the the mounting finge to £7.270. In the the morning Rings to 17.270. In the eternion buying emerged in a thin market and the price touched 17.290 before closing on the Kath at 17.280. Turnover, 955 tonnes.

TIN" High Grade £ £ £ 7560-90 +36 5 menths ... 7280-510 +57.5 7290-510 +57.5 Settlem's ... 7385 +35 Standard
Cash 7565-75 +75 7340-65 +12.5
5 months 7265-75+82.5 7670-80 +66
Settlem 7570 +16
Straitz E. 281961 +26

Amelgamated Matel Trading reported that in the morning cash wicebers traded at £1,009.5, 1,011, three months £7,270, 80.

£1,032, 32.5, 33, 32.5, 32, 32.5, 32, 33.

£EAD—Very firm in active trading traded by the performance of wirebars, three months £1,029.5, 30, 29.

£IEAD—Very firm in active trading influenced by the performance of coppar the price began to advance. Alternoon: Wirebars, three months £1,032, 33, 34, 33, 33.5, 34, 34, 33, 34, 33, 34, 33, 35, 36, 37, 39, 38, 39, 40, 39, 50, and are the price began to advance, and are the price and are the price began to advance, and are the price and are the price began to advance, and are the price began to advance, and are the price began to advance, and are the price and are the price began to advance, and are the price began to advance, and are the price began to advance, and are the price months to a trading the price of the price and the price of th

.Three month Copper 1044-1053.

price upwards to a clear on the Kerb of 1332. Tumover: 12.950 tonnes.

LHAII Official — Cuofficial — Cuoffici

soft wheat

Reuter

- Morning: Three months £408, 10, S.5, 10, S.5, 9, Kerbs: Three months £408, 11, 10.5, Kerbs: Three months £409, 11, 10.5, Kerbs: Three months £411, 12, 11.5, 11, 12, 13, 12.

- ALUMINIUM—Higher but trading was restrained with hedge selling meeting rejuctant buyers. Forward metal fall to £735 but then relied to £745-€746 and elosed on the Kerb et £743. Turnover: 4,100 tonnes.

wheat closed higher wheat closed higher with the closed higher with

Silver was fised 3.2p an ounce lower in the London bullion market yesterday at 376.80p. U.S. cent equivelents of the fixing levels were: Spot 782.4c, down 8.5c; three-month 780.6c, down 6.1c; six-month 798.2c, down 5.2b; and 12-month 820.0c. down 8.5. The metal opened at 377-379p (782-768c) and closed at 3764-3784p (762-768c). Bullion + or L.M.R. + or close price per trov oz.

Spot....... 372.2p 5.2 379.15p 4.8 5 months 387.8p 5.5 589.5y 4.5 8 months 396.8p 5.4 12 months 410.5p 4.4 LARS—Turnovar 283 (175) lots of 10,000 czs. Moming: Caeh 377: three mentite 387.8, 387.7, 87.4, 67.5, 87.2, 87.4, 87, 67.7, 87.4, 87.2. Kerbe: Three; months 388.8, 88.5. Altsrnoon: Three months 388.2, 88.7, 89.2, 8.4, 9.3, 9.5, 9.8, Kerb: Three months 389.8, 9.9, 90.5, 1.

COCOA Prices remained under pressure throughout the dev influenced by 6,000 tone being tendered on this lire! spot day, report Gill and Ouflue.

COCOA | Yesterday's + or | Business | Dona -27.0 1745.0-20.0 9ales: 5,270 (4,410) (ots of 10 tonnes.

International Cocca Organisation (U.S. cents per pound): Oaily price Feb. 23: 162.41 (163.34). Indicator prices. March 1: 15-day average 160.99 (160.44): 22-day average 158.53 (158.30). COFFEE After opening alightly higher as expected robusts coffee futures sectuated in a nerrow renge during

close with values finle lower and E1S higher. Yearenday's to Close to Done COFFEE

Sales: 7.592 (6.488) lots of 5 tennes. ICO Indicator prices for Feb. 28 (U.S. cents per pound): Colombian Mild Arabicas 129.000 (same): unwashed Arabicas 129.00 (same): other mild Arabicas 129.00 (same): Robustas ICA 1975 132.50 (same): Robustas ICA 1988 133.00 (ceme). Osily averege 127.82 (127.61).

WHEAT BARLEY

Nay 95.40 +0.20 93.30 Nay 00.30 +0.15 30.35 91.30 +0.50 56.00 For 94.35 +0.29 58.35 Jan 98.10 +0.25 98.00 **This months £743, 44, 43, 45, 45, 45, 46, 45. Kerbe: Three months £745, 44

**Centa per pound. † \$M per picul. † On previous unofficial close. \$8.45. Mey 99,90-99-75. Scpt. 91.20-90.90. Nov. 94,40-94-35. Jan. 67.86. 5189: 494. 8arley: March 93,50-93.30. Mey 96,05-55.55 9arley: \$1,50-92.00. \$2.68.25, Jan. \$1.50-92.00. \$2.68.25, Jan. \$1.50-92.00. \$2.68.25, Jan. \$2

92.00-92.00. Salas: 292-6-25. Jan. 92.00-92.00. Salas: 292-6-25. Jan. 1920-75. Jan. 19

channel.

HGCA—Location ex-farm epol prices.

Other milling wheat: N. Lincoln \$7.10.
Feed berley: N. Lincoln \$2.00. Hants and W. Suesex \$2.00.

The UK monetary coefficient for the week beninning March 5 will remain unchanged. unchanged.

SYDNEY GREASY—Close (in order buyer, seller), business, sales), Micros-contract: Merch 407.0, 410.0, 407.5, 405.0, 60; May 412.0, 414.0, 414.0, 440.407.0, 83; July 407.0, 410.0, 409.0-400.0, 63; Oct 395.0, 396.0, 396.5-395.0, 82; Oct 395.0, 395.5, 397.0-395.0, 76; Merch 397.5, 399.5, 389.5-387.0, 74; May 400.5, 401.0, 402.0-398.5, 35. Seles: 526.

SLIGHTLY STEADIER opening on the London obyeicel merket. Little interest threughout the day, closing quest. Lewis end Peat reported the Melaystan godown price was 254 (252) cents e No. 1 | Yesterday's Previous | Austnew | Dime

RUBBER

Apr. Jee 85.48-85.90 82.80-85.00 Apr. Jee 85.85-85.40 85.90 82.80-85.05 55.90 85.05 Jy. Sept. 85.50-85.55 95.10-85.15 65.00-85.90 Jee 314 67.55 67.50 Seles: 253 (665) lots of 15 tonnes and none (5) at S tonnes. Physicel closing prices (buver' were: Spot 61.750 (51.25p): April 62p (61.5p): Mey 62.75p (62.5p).

SOYABEAN MEAL The London market opened around El lower and traded around these lave's all day on a thin market, reported T. G. Roddiek. The market closed a little alegdier at 70-80 down.

Sales: 51 (122) lots of 100 loence.

SUGAR

LONOON OALLY PRICE (raw auger): £105.00 (£104.00) a tonne cil for Feb./ Maich shioment. White auger dely price were issed at £105.00 (£107.00). Prices were contained within a 50 points range throughout the dey, closing around the lewer levels, reported C. Czamikow. Sugar B Pref. Testerday's Previous Business Comm. Close Close Done

May 170.06 10.20 169.85-9.70 10.76 00.50 Aug 114.55-14.60.114.10-14.60 15.25-14.25 Oper 117.19-17.15 116.59-17.09 18.00-17.09 Dec 119.50-20.09 119.50-18.15 20.50-19.76 March _ 124,46-24,80 124,26-24,80 25,00-25,80 May 127.00-21.50 125.25-27.50 — Aug 128.75-50.50 128.50-50.50

MEAT/VEGETABLES

PRICE CHANGES

in tonnes unless otherwise stered Mar. 1 + or Month £710 Free Mkt (es) \$1.476/95 Welfrm 22.04 cif/\$142/49 | -5.0 | \$120/25 Zinc cash £597 | +1.0 £587 5 menths £410.5 | +1.25£379.5 Producers ... \$300 Oils Coconut (Phi)). \$9850 . \$1,000 Linseed Crude 12405
Paim Malayan, \$700 _2.0 |£360 |_2.0 |\$647 Seeds Copra Philip.... \$575a -5.0 9685 Soyabean (U.S.) \$310.5 -2.0 \$220 Grains Anriey Futures £95.85 + 0.55 £90.00 French No 5 Am £106.5 £108.75

"Nominal. † Now Crop. ‡ Unquoted p April-Mey. • March-April. • w April s Par ion. z Indicator. § Suyer.

Other commodities

on March 1. G8 cattle 71.72p per kg. I.w. (-1.35); U.K. aheep 154.6p per kg. set.d.c.w. (+0.2); G2 oigs 52.3p per kg. I.w. (+0.3). England and Weles: Cattle numbers down 13.2 por cent, everage prices 72.15p (-1.52); Sheep numbers down 5.4 per cent, average price 154.5p (+0.8); Pig numbars down 17.9 per cent, average price 62.3p (+0.3). Seotland: Cattle numbers up 9.1 per cent, average price 70.71p (-0.51).

numbere up 9.1 par cent, average price 70.71p (-0.51).

COVENT GARRIEN—Prices in grerling per package eacept where otherwise stated: Imported produce: Leanons-tistica: 120°a 4.20-4.30; Cyprus: Trevs 3.30-4.00, certons 128/180°a 4.00-6.00; Spania: Trays 30/40/45 1.50-1.60.

Oranges—Spania: Navela 3.60-4.20, 8(oods 3.80-4.00; isreeli: Shamouri 4.60-5.20; Cyprus: 3.30-4.50; Moreocen: Hamilins 4.00-4.20; Egyotien: 8eladi 2.80-3.00; Jameican: 3.00. Sevilles—Spanish: Sours 2.00. Clementines—Spania: 4.00-6.00. Satsumas—Spania: 3.00-4.20, Wilkins—Spanie: 4.00-4.50, Grapefruit—Cyprue: 2.40-3.80; leraeli: Jaffe 27/28 3.45-4.05. Apples—French: Golden Oelicious (4.01-6). 138/175°s 3.30-4.50, 120 ib) 72°s 2.10-2.30, 84°s 1.80-2.00; Granny Smith 140 ib) 138-163 4,50-5.80, 120 ib) 72°s 2.90-3.00, 84°s 2.40-2.50, ijumble pack) per pound 0.08-0.10, Sterk Crimsen 140 ib) 138/185°s 3.70-5.50, (20 ib) 84°s 2.20-2.40, 72°s 2.40-2.70, (jumbla pack) per pound 0.08-0.09; Sterking Oelicious (40 ib) 150/175°s 3.60-5.50; Hungerian: Sterking Oelicious 40 ib 5.40. English produce: Potatoes—Per 25 kg 1.70-2.40, Lettuce—Per 12 round 2.20.

WOOL FUTURES

aradford wool Market—Dealers and lops were quoted with little change from early in the week for crossbeds. Slightly below the more protectively higher prices for finer morinos.

LONDON GREASY—Closs (In order 52, 243; July 252, 243; Oct 27, 245; March 257, 245; March 257,

AMERICAN MARKETS

NEW YORK, March 1. 211.4 (210.3), July 211.8-212.0, Sept. Potaloes (round whites)—April 64.0. 310.0, Nov. 206.8, Jan. 209.5 nom.; March 10.5-5 bid. 310.0, Nov. 206.8, Jan. 209.5 nom.; March 205.5 bid. 310.0, Nov. 206.8, Jan. 209.5 nom.; March 205.5 bid. 310.0, Nov. 206.8, Jan. 209.5 nom.; March 205.5 bid. 310.5 bid. 3 57.2-b.f.b., Marcn ob.0-65.5, April mil, May 81.b-81.7, Saies: 843.

**Silver—March 779.00 (777.20), April 785.00 (777.00). May 786.00, July 785.00, Sept. 894.10, Dec. 617.20, Jan. 821.40, March 830.00, May 838.60, July 847.20, Sept. 855.90, Oec. 868.90, Jan. 873.40, Handy Harman bullion spot 776.00 (778.00).

Cottee—"C"Contract: March 126.80 (126.25). May 121.40-127.50 (121.47), July 128.00-128.10, Sept. 128.00-128.50, Oec. 128.25, Merch 127.50. Mey 127.40-127.50 (121.47), July 128.00-128.10, Sept. 130.0-128.50, Oec. 128.25, March 127.50, Mey 127.40-127.50 (121.47), July 128.00-128.10, Sept. 130.0-128.50, Oec. 128.25, Merch 127.50, Mey 127.40-127.50 (121.47), July 128.00-128.10, Sept. 130.0-128.50, Oec. 128.25, Merch 127.50, Mey 127.40-127.50, July mil, Seles: 1,450, "Plebnum — April 112.30 - 113.00 (141.650), May mil milh, June nil, July 413.50-414.50, Oct. 415.80, Jen. 412.70, 412.90, April 418.70-419.90, July 421.40, 421.60, Oet. 423.20-422.40, Seles: 1,452, Coope—March 152.00 (154.15), May 164.50, Oec. 156.20, Oec. 156.20, Oec. 160.40, Merch 151.75, May 162.45, Sales: 624.

**Suger—No. 11: May 8.73-8.74 (6.12), July 205.80-205.50, Aug. 205.80-205.50, July 205.80-205.50, July 205.80-205.50, July 205.80-205.50, Aug. 205.80-205.50, July 205.80-205.50, Aug. 205.80-205.50, July 205.80-205.50, Aug. 205.80-205.50, July 205.80-205.50, Aug. 205.80-205.50, July 205.80-205.50, July 205.80-205.50, Aug. 205.80-205.50, July 205.80-205.50, Aug. 205.80-205.50, July 205.80-205.50, July 205.80-205.50, July 205.80-205.50, July 205.80-205.50, Aug. 205.80-205.50, July 205

Aug. 250.10, Oct. 255.00, Occ. 300.0 occ. 32.20 occ. 32

331¹2. Oec. 342¹4. Maich 352.

WiNNIPEG, March 1. §Rye—May
110.50 bid (108.50 bid), July 108.80
bid (107.30 bid), Oct. 108.90 bid, Oec.
108.20.

Blarley—March 21.30 bid (61.00).

May 31.70 (81.10), July 21.10-81.30 bid,
Oct. 83.20 asked, Oec. 83.00 asked,
§Oats—March 65.40 (85.80), May
83.50 bid 183.40 bid, July 82.00 bid,
Oct. 83.70 bid, Oec. 83.80 bid,
§Flexased—May 352.50 bid (351.50
bid), July 342.50 1341.50 bid), Oct.
332.70 bid, Nev. 327.00 bid, Oec. 323.30
bid.

· Wednesday's closing prices

NEW YORK, Feb. 28.

Cotton—No. 2: March 62.00 (62.85),
May 64.10-64.25 (65.09), July 66.1066.30. Oct. 65.80, Occ. 65.15-65.20,
March 67.00, Mey 67:30-68.50, July
67.90-68.50. Salos: 10.050.
Potatoes (round whites)—Merch 63.5
(62.9), April 64.0-64.5 (63.5), May 72.172.4, Nov. 57.5, Merch 67.0-67.5, April
nil, May 31.3-82.0. Sales: 4,430.
Suger—No. 11: Merch 6.12 (8.023.05), May 8.87-8.90 (8.68-8.70), July
9.17-9.18, Sapt. 9,34-9.35, Oct. 9,459.47, Jan. 9.50-9.75, Merch 10.08-10.10,
Orr. 83.40 asked, Ogc. 83.20 asked.

EUROPEAN MARKETS

ROTTEROAM, March 1.

S. No. 2 Oerk Herd Winter, Stat. 75, Oec. \$285.50, Jen. \$288, Feb. \$281.75, Oec. \$285.50, Jen. \$288, Feb. \$281.85, March \$284.50, Jen. \$288, Jen. \$288, Jen. \$281.50, Nov.-March \$281, April-Sept. \$282.50, Nov.-March \$280, March \$280, March \$280, April-Sept. \$280, Nov.-March \$281.50, Oec. \$2828, Nov.-Sept. \$281.50, Oec. \$282.50, Jen. \$282.50, Oec. \$282.50, Jen. \$282.50, Oec. \$282.5 Wheat—U.S. No. 2 Oerk Herd Winter, 13.5 per cent, mid-Feb./mid-Merch \$163.50. U.S. Hard Winter wheat ordinary unquoted. U.S. No. 2 Red Winter wheat April \$163, May \$160. Juna \$148. U.S. No. 2 Northam Spring wheet, 14 per cent, Merch \$175, April-May \$147.50, May June \$147. Maize—U.S. No. 3 Corn Yellow aff. \$122, Feb. \$122, March \$122. April \$121.50, May \$127, Juna \$121, July-\$ept. \$121, Oct.-Oec. \$1:22. Rye—Unquoted. 8 orghum—Argentine/U.S. aff. \$119, April \$121.50.

Cocoa (FFr per 100 kilos)—March 1. "
1440-1450, May 1485-1487. July 1550, Sept. 1549-1550, Oec. 1535-1560, March 1550-1560. Seles at call: 6. Accumulative total: 23, Sugar (FFr per 100) Sorghum—Argentine/U.S. aff. \$119, April-June \$110, May-July \$109. Soyabeans—U.S. No. 2 Yellow Gull-ports March \$303, April \$308.25, May \$207, June \$310.75, July \$310.75, Aug.

Feb. 28 Feb. 27 M oth a50 Year 280

1053.7 1053.8 1010.9 891.0

(December 31, 1931 = 100)

INDICES

DOW JONES Dow Fcb. Feb. Month Year Jones 28 27 080 390

FINANCIAL TIMES Feb. 26 Feb. 27 M'nth age Year ago Spot ... 387.15;584.45,378.16,352.85 F tur 9;383.95 5B1.54,359.29;351.30 267.35 207.05 250.63 227.04 (Averega 1924-25-26≈100) (8ese: July 1, 1952≂100) MOODY'S

REUTERS

Mar. 1 Feb. 28 M'nth ago, Year ago 1554.5 155.13 1614.8 | 1588.5 (8ese: Saptember 16, 1931-100)

Twe total: 23.
Sugar (FFr per 100 kiles)—May 9)0914, July 930-934, Aug. 950-958. Oct.
990-998. Nov. 985-995, Occ. 1028-1035,
March 107a-1088, May 1088-1103. Sales

NOTICE IS MERERY GIVEN that the
Loan Stock resider of the company will
be closed from 14 to 22 March 1970,
both Gays inclusive, and that warrants in
payment of interest in respect of the hall
year ending 51 March 1979, amounting
to 52.50 (less tax at the basic rate) ser
£100 sommal of loan stock, will be
posted on 29 March 1979 to spectholders
rechtaered on 13 March 1979 to spectholders
rechtaered on 13 March 1979 to spectholders
rechtaered on 15 March 1979 to spectholders
CHARTER CONSOLIDATED LIMITED

O. S. BOOTH.
Secretary.
Registered Office:

FIELDBORNE GALLERIES, 53. Queens Grove, N.W.S. Sad 3600. EDWARD WOLFE, R.A. — SIXTY YEARS OF PAINTING, Mon.-Frl. 10-6. Sat. 12.30 to 3.

CORAL INDEX: Close 473-478

29 Lamont Road, London SW10 9HS.

1. Tax-free trading on commodity futures.

2. The commodity futures market for the smaller investor.

INSURANCE BASE RATES

FINE ART SOCIETY, 140, New Bond St., W.T. - 81-720 5118. BRITISH ARTS 18th-20th Century. FISCHER FINE ART, 30, King St., St. James's, S.W.1. 01-838 3942. Recent work by two Canadles Realists 0. P. BRINWN and JEREMY SMITH. Until A March. Mon.-Fri. 10-5.30. Sars, JEAN ARP and HENRI MATISSE—1st March to 12 April. Daily 10-5-30, Sats. 10-1. Theo Wasdington, 25. Cork Street, London, W.1. Tel.; 734 3534. MALL GALLERES. The Mall, S.W.1. Greek Women Artists Exhibition, Mon.-Fri. 10-5. Sats. 10-1; Uncil Merch 10. Adm, Free. MARLEOROJUGH, 6. Albemarie St., W.1. RENATO GUTTUSO Paintrass: Drawless and Webercolouss. Mon., Fr. 10-5.30. Set. 10-12.30.

COMPANY NOTICES

tal Harry Harry

CHARTER CONSOLIDATED LIMITED NOTICE TO HOLDERS OF 5 PER CENT CONVERTIBLE UNSECURED LOAN STOCK 1984 INTEREST PAYMENT NO. 16

BOND DRAWINGS

Sondholders of the above Loan are advised that the redemption due on the 8th April 1978, i.e. U.5.51,560,000 nominal, has been effected by ourchase. The following Bonds from previous prayings have not yet been gresented Zonds drawn for payment an Str April. 1976: 1299 4779 7866 7858 7897 7836 7958 7958 5323 12884 15177 22151 24382 Aonds drawn for payment on 8th April 1978: annus drawn for payment on 8th April 4978:

1978: 182 22A 301 302

1102 1774 1896 1905 1913

1919 1942 1050 2531 2233

2514 2580 2581 2586 3963

4198 4363 4445 5151 5518

5708 5658 7582 7889 7998 4801

7978 7978 7989 1225 1225 12308

8310 8313 8340 13194 13241 13261

13796 12330 12460 13194 13241

13959 14842 14886 15033 15342

137467 17475 18384 18307 2175

21462 21559 22775 22124 23313

CLUBS.

GARGOYLE, 39, Deae Street, London, W.1.
NEW STRIPTEASE FLOORSHOW
11-3.50 am, Show at Mideleht a nd 1am
Mos.-Frl. Closed Saturdays, 01-437 6405 EDUCATIONAL

† Property Growth 12% † Vanhrugh Guaranteed 11.25% †Address shown under Insurance and Property Bond Table.

KINGDOM OF DENMARK U.S.225,000.000 54% 20 YEAR EXTERNAL LOAN OF 1964

HAMBROS BANK LIMITED

EVE. 189. Regent Street. 734 6557. A ta Carte or All-In Menu, Three Spectacular Floor Shows, 10.48, 12.45 and 1.45 and mussle of Johnny Hewkesworth & Friends.

ARABIC. New phonetic methods allow-ing you to seeak read and write Arabic after 100 hours' private turion. ALPHA, 01-503 3504.

69.94 68.03 67,80 68.93 74.44

S.E. ACTIVITY

481.8 479.6 468.8 467.0 468.2 485.4

15.34 15.45 15.80 15.88 16.11 19.41

7,328 6,606 6,146 8,121 5,481 4,682

FigM Relielling NEWSPAPERS (1) B.P.M. Nidgs. A

Apex Prups,
Avenue Close
Berkeley Hambro
Bitton IP.

British Land
Centrovincial Esta.
Control Sets.
Control Sets.
Control Sets.
Confort Sets.
Confort Sets.
Confort Sets.
Confort Sets.
Confort Sets.
Second Ci
Stock Con
Finance & Indust.
Loo. C sess Frights.
Loo. C sess Frights.
Newbold & Burton
TEXTS.ES. 41
LaneX

SP OVERSKAS TRADERS (2) Serisford (3, E. W.I. Soustess RUBARTS (3) Guthris Corp. Plantation iff

Gold Mrs. Kalgoorlie NEW LOWS (3)

Guthris Corp. Plantat London Somairs MINES 11)

PROPERTY ITE

25,202 21,792 17,480 18,578 15,448 12,848

9,45 8,59 8.20 8,16 6.04 7,62

5,87 9,91 6,05 6,08

FINANCIAL TIMES STOCK INDICES

Equity turnover I'm. ... 150.41 128,19 98.18 124.42 68.52 63.08

10 am 478.2. 11 am 481.9 Noon 480.4. 1 pm 479.2.
2 pm 478.3. 3 pm 477.6.
Latest Index 01-246 8028.
Ni = 814.
82018 100 Govt. Secs. 15/10/26 Fixed for. 1928. Industrial Ord.
1/7/25. Gold Minos 12/9/55. Ex 5 promium index started Juna 1872.
SE Activity July-Oec. 1942.

NEW HIGHS AND LOWS FOR 1978/9

Capicals Apex Props. Avenue Closs Venue Closs

5.23

6,498

HIGHS AND LOWS

Ind., Ord.,... 535.5 438.4 649.2 49.4 (14'3 78) (2:3 78) (14'3 77) (26.8 49)

Gold Mines 209.9 124.1 442.3 45.5 (14.1.78) (29.1),781 (29.7),781 (29.7),781

Gold Mines 132.3 90.3 387.1 54.3 (Ex-5 pm... 114/8/78) (18/4/78) (8/4/78) (18/4/78)

NEW HIGHS (89)

BEERS 111

BUILDINGS (8) Fick Gallifon Walting STORES (4)

Home Charm MFI Furnitore
House of Lerose Wharf Mill
Est & May
Bowthorpe
ENCINEERING CS:
Bevan III, F.)
Croeo House
Savill- Gordon
FOODS 161

FOODS 161

pS 161
Matthews 18.7
Smilers
Tesco
NALS 1227
Lindsay & Williams
Ascarthy's Pharm,
Marling Ind.
Sandburst Marketing
Scot. Universal Invs.
Securico

Securicor
Do. A N-V
Security Services
Do. A N-V
Sketchley

1978-9 aince Compilath

65,77 150,4 50,53 (12,279),26,11,47\(\dots\) 1-75\(\dots\)

High ! Low High Low

28

Bank's move cools speculative enthusiasm for Gilts Equities also react and 30-share closes 5.7 off at 476.1

Option
*First Declara- Last Account

Dealings tlens Dealings Day
the premium eased 3; to close
Eeb. 12 Feb. 22 Feb. 23 Mar. 6
Peb. 26 Mar. 8 Mar. 9 Mar. 20
Conversion factor was 0.6928 Mar. 26 Mar. 8 Mar. 9 Mar. 20 conversion factor was 0.6928 (0.6813).

The process of the lambda state options reflecting the lambda state

The expected reduction in Minimum Lending Rate, hy oce to 13 per cent, failed to restore 13 per cent, failed to restore any of the recent aparkle in stock markets yesterday. In fact, the Bank of England'a call now for a period of atahility in interest rates undermined shorterm speculative confidence which, together with widespread everseas investment, had fuellad the recent upsurge in Government atocks.

The latter reacted on further profit-taking and, despite steadying ooce or twice, slipped hack further immediately after the 12.30 pm MLR announcement. Trade later was a pale shadow later was a pale shadow

reaction. Despite early easiness a penny to 88p.
in Git-edged, however, equitics
soon ralled on sellers' relucreturned to the banking sector
returned to the banking sector

lacking the assurance of the nast few days, the leaders closed al the day's lowest with falla extending to 6p, as in ICI at 1382p. The FT 30-share index was 3.6 off at 10 am, marginally higher on balance at 11 am and finally 5.7 down at 476.1; the dran in EML 15 lower at 118p on the dividend warning, accounted for

1.9 of the late fall. Short-term speculaters in Brewery and allied issues British Funds became a little drifted easier in a moderate nervous following the Bank's business. Bass. 164n, and Whitmove and their haste to take the recently accrued large profits 3 following the Price Com-acgravated the earlier reversal mission's decision to restrict the in sentiment. The falls, which reached 11 noints among mediumdated issues, were later reduced to a point, less among the shorts, to 8 point, less among the shorts, counters met profit-taking and fell 6 to 85p on the forecast of in a market uncertain of what to Highland eased 4 to 90p, a shortfall in earnings during expect today regarding replace-ment tap slock issues. The recently-issued scrip Exchequer 131 per cent 1987 ended a point lower at £211, after £205, but the

prevailed in Investment currency annual results due Monday, gave and, with sellers predominant in two-way institutional dealings, hardened 11 to 73 p following two-way institutional dealings.

tho previous day's record of 1,886. Grand Metropolitan were the most active issue, attracting

Royal Ins. please

Standing a couple of pence easier in front of the results. Royals rallied on the much better-thao-expected preliminary round around around all the public sector wage disputes made no impression on sentiment in leading industrials which opened easier in an extension of Wednesday's late reaction. Despite early around overnight levels. Elsewhere, Alexander Howden hardened 2 to 127p on the amouncement that the group is planning to merge its South African broking and pension of Wednesday's late reaction. Despite early interest in Gilt-edge. results and closed 10 higher al 370p. Other Composites traded quietly and sanerally closed

tance hut they gradually after the recent euphoria and hy succumbed as profit-taking the close modest falls had been revived.
Late attempts to halt the down-drift in the equity sectors were unsuccessful and, in a market the property of the restriction of the rest 390p; the results of the lastmentioned are due next Friday. Investment currency infinences nrompted a reaction of 8 to 284n in Hong Kong and Shanghal but, reflecting firmer domestic mar-kets, National Bank of Australasia added 12 to 212p. Moving Inwer in symnathy with gilt-edeed securities. Discounts closed with falls ranging te 10. hread, 1024n, both slinned around

> Quiet conditions returned to the current year. Bullough the Building sector where leading issues tended easier. Elsewhere, Breedon and Cloud Hill Lime were marked 2 higher to

mission's decision to restrict the

companies interim nrice increases to a penny a pint. Firm

Distiller

Wednesday,

the satisfactory annual results while Plysu continued to attract huyers and firmed 4 for a three-day gain of 17 to 150p.

MFI Furniture good MFI Furniture, up 6 at 266p for a three-day gain of 32, continued to make progress in Stores as Press comment attracted renewed investment support. In a restricted market, Wharf Mill jumped 6 to 26p, while Dixons Photographic added 4 at 124p and Ernest Jones (Jewellers), still on the annual report, firmed 3 more te 188p. Of the mixed leaders, Burten Ordinary retinquished 3 te 250p

hut the A hardened a pemy te 229p, after 233p, as did the Warrants to 92p, after 98p. EMI featured late in the Electrical sector with a fall of 15 to 118p on the warning that the results for the year as a whole are unlikely to justify main-tenance of the final dividend. Among the other leaders. GEC were fairly actively traded before closing 3 down at 343p, while Plessey fluctuated narrowly and ended without alteration at 113p. Elsewhere, Pye were in demand at 109n, up 6; Philips, which hold a 60.7 per cent stake in Pye, recently announced that it is considering some reconstruction of Pye which might involve a

reaction of 9 to 321p in Euro-

Engineering leaders tended easier on light offorings and lack of fresh support, John Brown, 8 particularly good market of late, eased 4 to 430p, while Tubes gave up a similar amount to 356p and Hawker shed 2 te 212p. Secondary issues took on a mixed appearance. Among the bright spots, W. E. Norton responded to favourable Press mention with a rise of 3 to 30p, Banro Consolidated met support and put on 5 to 67p, while rises of 4 were marked against United Engineering, 104p, WGL, 136p, and Amalgamated Power, 129p. After Wednesday's gain of 10, Williams and James improved 4 mace te 158p; the price in yesterday's report was incorrect. By way of contrast, Ratcliffs (Great Bridge)

in Foods was usually mainlonger Treasury 13‡ per cent 140p on persisting hid rumours 2000-03 closed only ‡ cheaper at 211p. In quietly dull Chemicals, ICI trade and touched 43‡p before eased 6 to 382p and Fisons, aettling at 43p, up 2 on halance, tained but notable price move-

shortfall in earnings during

while revived demand lifted J. Bibby 15 to 320p, the annual results of the latter are due next Wedoesday. Linfood put on 5 for a two-day gain of 11 to 1560 on hid hopes and Bernard Matthews firmed 3 to 207p. In sharp con-trast, the higger-than-expected annual loss and dividend omission left Associated Fisheries 5 down at 39p, after 38p. De Vere Hotels eased 5 to

European Ferries up Miscellaneous Industrial

leaders turned reactionary on light profit-taking Beecham reacted 13 to 630p. Down 3 the previous day following the disappointing first - quarter figures, BOC International eased net penny lower at 70p following the Price Commission's recommendation that the group's cylinder gas charges he frozen for a year from last October. Elsewhere, Diploma Investments closed 8 up at 240p following the higher first-half profits and accompanying statement regard-Already supported up to 152p on talk of a possible U.S. deal, European Ferries held that level following confirmation of the proposed partnership with Vace Securities Inc. of Colorado before closing a net 8 hetter on halance at 150p. Negretti and Zambra pot on d to 80p after speculative buying and Johnson Matthey ended a penny dearer at 226p, after 233p, on the proposed dividend-hoosting £19.6m rights issue. A near-57 per cent concash payment to minority holders. Profit-taking prompted a traction in annual earnings depressed Hoover A which lost 20 to 187p, after 185p, while Booker McConnell declined 10 to about the forthcoming results.

Profit-taking after the results and proposed 20 per cent acripissue left British Vita down g at

146p and Jacksons Bourne End gave up 7 to 138p in the absence of fresh hid developments. Still unsettled by the possibility of an investigation being made ioto the company's commission charges, auctioneers Sothehys cheapened 3 more to 370p, after Some confusion was caused by a misprint in yesterday's issue, the comment regarding pre-liminary results due next Tues-

day amplying to Unilever, 4 down at 58fp, and not Metal Bex which eased 2 to 320p. The Leisure sector displayed two firm features in London Entertainments, up. 7 to 47p on demand in a thin market, and

Management Agency and Music which gained 4 to 146p on specu-

Printing equipment suppliers

lative interest.

be interim stage.

Properties took a hreather from the recent resurgence in activity and usually held evernight levels, although profit-taking elipped a penny from English at 61p and a couple of pence from Land Securities at 2762. Among secondary issues,

however, Apex added another 2 10 104p and Property Security Investment gained 9 to 147p, the latter following demand in a market short of stock.

Oils quiet

Much quieter conditions pre-valled in the Oil share market where British Petroleum tonched a new peak of 1022p before further to 68p befere closing a settling a shade dearer en net penny lower at 70p follow balance at 1015p, but Skelling the Price Commission's drifted off a few peoce to 650p. In Textiles, further reflection ever Tricorille's capital proposals lifted the shares 9 to 97p for a rise of 13 since Wednesday's announcement. Reporting a sharp npture in interim profits and a scrip issue in preference shares, S. Lyles spurted 15 to 83p. In statement and closed down 8 at contrast, adverse comment over 262p. the annual figures clipped 3 from

British Enkaion, 20p. Guthrie jumped to 525p immediately following the announcement of the improved offer from Sime Darby, but eased to 515p for a net gain of 30 following company's strong rejection of the bid which values Guthrie at around 539p per share as opposed to Sime's original offer of 425p; Sime fell 6 to 96p. Secondary Plantations were usually better with London Samatra rising 11 to 263p on hid

Mining markets were generally 258p on renewed nervousness quiet with prices tending easter as the investment dollar premium lost ground. Australians were the most actively traded sector, but even here the fellow-through to the rise in Sidney was restricted. But there was good two-way business in the major stocks which left MIM down 5 at 264p and Peko-Wallsend 8 lower at

Dealing Dates

Deal- Deal- Declara- Settle-

Feb. 20 Mar. 5 May 17 May 30

Mar. 6 Mar. 19 May 31 Jne. 12 Mar. 20 Apr. 2 Jnc. 14 Jnc. 26 For rate indications see end of Shore Information Service

In active trading, calls were dealt in Cons. Gold, Associated

Communications A. MFI, KCA, Spillers, Lynton, Premier Oil,

UDT, P and O Town and City.

ings

Britannia Arrow,

ings

Last

tion

Mawthorn Baker rose 30 to 110p 468p. Among the uranium issues, on the return te profitability at Pancontinental fell 50 te 925p. Oakhridge, fellowing their dis-appointing half-yearly figures, eased 1 to 122p.

South African Golds reacted

1.5 off at 119.0.

262p. London Financials tended to drift and although the news of Selection Trust's discovery of a low-grade gold deposit in Nevada attracted one er two small

RISES AND FALLS YESTERDAY

YESTE	_			Sibby (J.)
British Funds Corpns, Dom. end Foreign Bonds Industrials Financials end Prop. Oils Plantation Minss Recent tysues			32, 844, 278, 21, 16, 53, 20,	Rentima Coordex Dioloma European Ferrics Ewer (G.) French (T.) Hawtin Initial Services Johnson Matthey Lep Group Bary & WAT A Horizon Midlands
Totals	350	,30	1,200	

70.18 70.41 70.94 29.90 68.25 67.90 67.58 77.34 171.7 176.6 178.0 161.0 183.4 181.6 182.6 Gold Mines(Ex.Spm: 119.0 120.5 112.2 120.2 124.0 124.0 119.8

Ord, Div, Yield

Dealings marked...

quity bargoins total

Earnings, Y'10 % (lult: 15.47

E Ratio moli dia. 8.38

not only on the lower premium hut also to the fall in the hullien price, which closed down \$2.50 at \$249.125 an eunce. But husiness was at a low level. Although prices came eff the bottom towards the close the Gold Mines Index finished 5.1 down at 171.7 and the ex-premium index was

through the list, and among the heavily priced issues. West Dries were { easier at £22}, Hartebeest lost { to £14}

There was a similar trend in Platinums where the premium accounted for the general easiness and in South African Finanness and in South African Finan-cials. De Beers met some early selling from Johannesburg and finished 13 down at 467p. Angle American lost 14 to 370p. while UC Investments failed to respond to the chairman's eptimistic remarks in his annual

huyers, the shares finished 4 easier at 524p.
Coppers were nutested and

Tins were tranquil Among domestic issues, Saint Piran were 2 lower at 82p after news ef moves by a group of shareholders te dismiss the board.

246 102 9	78 23 432 128 11 8 74	32 844 278 21 16 53
2	7_	20
388	759 1	,268
	246 102 9	246 432 102 128 9 11 8 8 13 74 2 7

William

Bentima,

Robinson, Avana, Capital and

Charterhall, Duniop, Ultramar,

Centrovincial Estates, Trust Houses Forte, British Land,

Associated Fisheries, BSG 121

per cent Convertible and EMI

A put was completed in Racal,

arranged in MFI, Dunlop, Ferries, Fisheries

Press

Coral

OPTIONS

ment

Burton

Warrants,

Counties,

and double

European

Spillers.

Associated

Christopher Moran.

INDUSTRIALS CT

	AC	TIV	E STO	CKS		
		No.				
Der	omin	a- nf	Closing	Change	1978-79	1978-
Slock	tinn	marks	price (p)	on day	high	low
BP	13	20	1.015		1.622	720
European Ferries	25p	20	150	+ 8	153	99
Shell Transport	25p	16	650	- 2	656	484
Guthrie Corp	£1	15	515	+30	535	484 211
Barclays Bank	£1	12	415	- 2	424	296
Beecham	25p	12	630	$-1\bar{3}$	726	581
ICI	£1	12	382	- 6	421	328
GEC	25p	11	343	- š	349	233
Grand Met	50p	îō	129	- š	132	87
Lloyds Bank	£1	îõ	305	- ž	316	242
Johnson Matthey	£i	9	226	+ 1	233	242
T . A T	£i	2	77	- 1		130
DAM- D.C.	TI.	9		•	118	76
BATs Defd	25p	8	292	- 4	304	227
Bibby (J.)	£1	8	320	+15	321	182
Comet Radiovis'n	5 p	8	107	+ 9	1151	741

APPOINTMENTS

Barclays Bank Trust changes

Mr. William Duncan, a general succeding Mr. Z. D. Benner who perial Tohacco (Imports), but is rettring on April 1. Mr. Rober remains chairman of that combeen appointed alse a director of BARCLAYS BANK TRUST COMPANY Mr. Julian Wathen has retired from the Board of Barclays Bank Trust following his clays Bank Trust following his appointment as a vice-chairman of Barclays Bank, Mr. Wathen remains a director of Barclays Bank UK Management and Barclays Bank International.

Mr. J. A. Newby is to ion the ELECTRICAL CONTRACTORS' ASSOCIATION as director. He will take over from Mr. B. E. Gray, who retires at the end ef

Mr. R. J. Livett and Mr. H. W. Green have been appointed directers of HOWSON DEVITT (NORTH AMERICA), part of the Devitt Langten and Dawnay Day

Mr. W. G. McPhie and Mr. G. S. Moss bave been appeinted nonexecutive directors of HUNTING ASSOCIATED INDUSTRIES.

Sir Robert Kidd, who has been bead of the Nerlhern Ireland Civil Service since July 1976, will relire en June 30. He will be succeeded by Mr. W. E. Bell, Permanent Secretary of the Department of Finance.

Mr. George Tremlett. leader of the Greater London Ceuncil'a Heusing Policy Cemmittee and Mr. John Lowther leader of Northamptonahire County of Northamptonahire County
Council, have inined the Board
of NORTHAMPTON DEVELOPMENT CORPORATION.

Mr. K. S. Bowden, Mr. D. F. Carmichael, Mr. I. L. Connell, Mr. K. McLoves and Mr. J. Mason mr. R. Meines and Mr. J. Mason have heen appointed directors of GEORGE WIMPEY INTER. NATIONAL. In addition the geographical areas of responsibility for the following directors has been rearranged: Mr. R. J. Barry-West Africa, Central and South America and Caribbean: Mr. R. B. Ferrisof Iran and Saudi Arahia). Nerth and East Africa: and Mr. L. C. T. Sallabank—Saudi Arabia, Iran. South East Asia and Far East

Mr. A. Brearley has been appointed a nen-executive director of LAWTEX in place

Mr. Paul W. Wiedenmaon bas been appointed by MICRODATA
INTERNATIONAL CORPORAEION as vice-president, international finance and administra-

BANKERS TRUST COMPANY ef John Tann Security, has been has promoted Mr. Charles G. elected national chairman ef the Salamans to vice-president. He is INSTITUTION OF WORKS in charge of public relations for MANAGERS. Bankers Trust in Europe/Middle

Mr. Edmund Dell Lahour MP for Birkenhead, has taken up his appointment as 8 director and a deputy chairman of GUINNESS PEAT GROUP.

Mr. Anthony MacVarish has been appeinled to the Beard of the British incentive marketing organisation, PERFORMANCE AWARDS, as sales and marketing director.

Mr. Robert M. Silberman has heen appointed director ef business development, European for PITNEY BOWES. Mr. Alan A. Smith has become directer ef eperations for PITNEY BOWES. Mr. Alan A. Smith has become directer of operations at the European headquarters, while Mr. David M. Looker has heen appeinted advertising end aalea prometien manager in the mar-

LLOYD'S REGISTER OF SHIP PING has made the following senior appointments: Londen headquarters: Mr. T. A. Simpson, to be senier principal surveyer, co-ordination of maritime affairs. Mr. J. M. Bates succeeds Mr. Simpson as senier principal surveyor, international conventions department. Portugal: Mr. C. A. W. Rennie to be principal surveyor for Portugal from next April. He replaces Mr. J. C. Harrison, who is returning to the UK to take np a senier appoint ment at headquarters later in the Mr. G. Codd, to be principal surveyor fer the Hull and Grismby Districts. He replaces Mr. E. F. Buffer, whe retires on June 30, 1979.

keting services divisien.

BELHAVEN BREWERY
GROUP has made the fellewing
Board appointments: Mr. E.
Sturgeen, financial director, is
now deputy chairman. Mr. C. M.
Pillings and Mr. R. H. Ling jeln
the Board as directoral directors. the Board as divisional directors and Mr. A. G. Clinton becomes a

nen-executive director. . Mr. A. G. Barker has been of Mr. A. G. Hayek, whe has appeinted a director and chief retired from the Board. appeinted a director and chief executive of DENBYWARE from April 1, and Mr. G. H. J. Robinson will revert te his previous position as non-executive chairman. Mr. Barker is at pre-sent managing director of Bryant

> Mr. Norman Wilson, a director ef John Tann Security, has been

Mr. J. P. Gorman has been appointed a directer of BREMAR HOLDINGS.

Mr. James M. Jardine has been appointed a non-executive directer of 5COTT AND ROBERTSON.

Mr. Mike Phillips has been eppeinted managing director of MOTOROLA, autometive pro-ducts division. He has been with the group fer eight years.

Mr. B. Smalley has been appeinted managing directer ef IMI MARSTON RADIATOR SERVICES in anccession to Mr. C. H. Lockyer, who remains a nen-executive director.

Mr. Deuis S. M. Eadle, has succeeded Mr. Peter C. Palsley as chairman of the West of Scetland TRUSTEE SAVINGS BANK. Mr. Lyndon Belton follows Mr.
Andrew Archibald as chairman ef
the TSB of Tayside and Central
Scotland end Mr. Alexander H. Nehle, takes ever from Mr. James Kennedy as chairman of the Trustee Savings Bank of South of Scotland.

Mr. Ian Armistead has been appeinted financial director of BIBBY AND BARON, a Low and Bonar Group subsidiary. He will also have financial responsibili-ties fer three ether Low and Benar Greup companies, Bihhy and Baron Polythene, James Nichols and Son and J. E. Small.

Mr. Eric Drew, has been appointed sales directer of the motion picture and magnetic products division of A GEVAERT UK, Brentford. products

Mr. Bernard Doré has heen appointed chief executive of the food distribution of BOOKER McCONNELL and Mr. Roger Shipton has been elected to the new post of personnel director of the divisien.

Mr. F. Swarttenw and Mr. D. Krook have been appointed to the FOKKER Board of management in the Netherlands. Mr. Swarttouw will alse be chairman of the Board and Mr. H. J. Grobben is appointed vicechairman.

Mr. D. B. Davles, group finan-cial controller of the Anglo-Soviet Group of Companies has been appointed to the hoard of the parent ANGLO-SOVIET SHIPPING COMPANY.

WOODBEAD MANUFACTUR-ING COMPANY, a subsidiary of the Jenaa Woodhead Group, has

Option	Ex'ro'se price	Offer	Vot.	Closing Offer	Vol	Closing	Yol.	Equity
8P BP 8P 8P Com. Union Cons Gold Cons Gold Courtaulds GEC	850 900 850 1000 1050 160 180 200 220 110 300	180 130 80 37 17 31 ₂ 29 181 ₂ 41 ₂ 6	1 20 32 39 1a 17	197 152 108 73 48 612 33 12 10 8	1 1 2 5 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	215 175 133 97 73 11 41 27 19	23 5	1019p 154p 204p 109p 344p
GEC GEC Grand Met. Grand Met. Grand Met. ICI ICI	330 100 110 120 130 330 360	26 504 81 12 62 52	19 19 24 32 32 49	43 25 32 821 ₂ 141 ₂ 101 ₂ 75 48	60 23 18	54 36 35 25 18, 131, 81	4 8 5 10	129p
iCi ICi Land Secs Land Secs Land Secs Marks & 8p Shell Totals	590 426 200 240 280 90 650	11 e e e e e e e e e e e e e e e e e e	35 25 25 25 25 25 25 25 25 25 25 25 25 25	11 47 12 74 44	5 6 7 4 156	53 	6 - - - - 78	277p 277p 92p 649p
BOC Inti. BOO Inti. Boots EMI EMI EMI RTZ RTZ RTZ Totals	7e - 80 220 180 150 16e 260 300	4 114 417 23 19 254 80 18	19 83 9 3	7 3 101 ₂ 28 21 7 37	- 4 1e - 25	912 416 30 24 48 88	9 16 8 	70p 189p 183p " 293p

LONDON TRADED OPTIONS

RECENT ISSUES EQUITIES

Issue	P C	# 2 5 5 # 2 5 5	1272/79		Stock	D		a . 5	200	22	. C
Price p:	PA	350	High	Low		85.0	-	Ame	Ęğ	ธั	o. S
63 ** 9555	F.P. F.P. F.P.	20/3 16/3 9/2	145 130 41 165	68 118 31 97	Caledonian Hidgs Hunting Assoc. Defd. M. Y. Bart Defd. Sedgwick F. Now 10p	41	+3	67,3 _ _ 75.0	1.6 - 2.1	=	_
FIXED INTEREST STOCKS											

High I Lov

	"RIGHTS" OFFERS								
Am'unt Pald up	Latest Renuno, Date	1978/9	Stock	B s to	+ or				
돌	• =	High Low	·	85	ļ — ·				
F.P. Nii N)(F.P. F.P.		24pm 18pm 18pm 6pm 978 838 681 62 16pm 71ppm	Baker Perkins	122 20pm 17pm 280 65 19pm	-1 +2 14				

MANAGERS.

FT-ACTUARIES SHARE INDICES

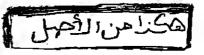
These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

- 11												
	EQUITY GROUPS & SUB-SECTIONS Figures in parentheses show number of stocks per section		T	Thurs., March 1, 1979				Wed., Feb. 28	Tues Feb 27	. Fet). Fel	Year ago tapprox.
Fi			of Index	Day's Change	Est. Earnin Vield (Max	Nos Div.	(Net)	Index No.	Index No.	i Inde.		
]]		172)	237.95	-0.5	17.0	6 5.60	7.97	239.11	237.5	9 231.7	8 229	8 188.95
2	Building Materials (2	28)	(213.13	-0.4	17.9							167.39
.3					21.4	- (360,69				
4 5			568.43				10,10			8 558.5	7 554.1	
6	Engineering Contract	tors (12)	366.37								4 348.9	272.50
6		75(/ <i>3</i> /	182.46 162.19		183		7,28					149.87
11	CONSUMER GOOD (OURABLEX53)			1	17A		7.70		. 162.0	1	6 157.0	154.64
1 12	Lt. Electronics, Radio	TV (76)	217.38 286.49		16.3		8.17					
13	Household Goods (12	2, 1 V (10/	158.72	-0.2 -2.0	13.2	_ ,	10.60	287_18	287.2			
14	Motors and Distribute		118.41		21.9		7.39		160.6			
	CONSUMER GOOD	S		-0-7		ود، اه	5.69	119.20	117.9	5 116.3	6 225,1	6 104.68
22	(NON-DURASLE) (7	170)	_ 219.95	-0.9	15.8	9 5.91	8.28	221.90	219.27	7 213.8	0 211.6	
22	Breweries (14)		_ 232,49		16.4		7.72	236.03	232.8			
23	Wines and Spirits (6)		_ 310.00	-1.6	14.9		9.80	314.91	310.6	306.5	8 303.2	
24 25	Entertainment, Cater	ing (17)	292.34	-23	15.00		8.80	299.10	294.50			
26	Food Manufacturing (Food Retailing (15)	14/	209.65	-0.5	17.92		7.43	230.62	207.81	201.0		
32	Newmaners Publishi	ing (12)	260 20	+0.3	12.84		10.59	252.70	250.73			
33	Packaging and Paper	(15)	140.36	-0.4	18.03		6.91 7.24	396.12	390.21			
34	Stores (40)		_ 204.13	-B.6	11.9		11.94	149.89 205.35	138,04 263,02			
35				-0.6	18.42		7.03	177.02	175.84			
36	Tobaccos (3)		256.59	-1.0	22.21	0.02	5.17	259.16	237.51			
37 41	Toys and Gemes (6) OTHER GROUPS (99		94.52	+0.5	23.47	6.88	5.02	94.07	93.28			
42) Chanden's (18)		207 20	-0.8	15.10		8.52	205,32	204.72	200,5		
43	Pharmaceutical Produ	ects (7)	250.81	-11	15.21		8.52 10.93	294.39	295.49			
44	Utilice Equipment (6).		132.07	-10	15.30		8.23	253.68	251,84 135,94			
.45	Shipping (10)		426.65	+13	1418		8.95	421.24	418.58			
46	Miscellaneous (58)		221.19	0.5	17,59	6.51	7.50	222.22	220.15			
49 51	INOUSTRIAL GROUP	P(494)	227.35	-0.7	16.02		0.25	229.03	227.27			
背鈴	Olis(6)		574.53	-0.1	12.16		8.94	574.87	572.84			
6	500 SHARE INDEX.	775)	255.78	-0.6	15.38		8.35	257.38	255.58	250,10		
62.	Banks(6)	······································	182.62 222.39	-0.2 -0.5	27.95	5.45	-	182.92	181.57		175.35	154.89
63	Discount Houses (10)	•	232 22	-1.6	27.75	5.37 7.90	4.75	223.48 236.10	222.67			
64				-10	18.98		6.76	170.63	234.63 169.63	225.71		
65	Insurance (Life) (10). Insurance (Composite)		133.17	-0.4	-	7.06	_	133,72	133.11	164.73		
66	Insurance (Composite)	(7)	. 126.94	+0.6	-	7.11	-	126.14	125.90	122.22		
68	Insurance Brokers (10 Merchant Banks (14)	,	. 313.57	+0.2	15.87		9.03	313.02	307.87	303.81		
69	Property (43)		212 50	-0.3 -0.3	3.41	6.11		82.27	81L02	79.80		
70	Miscellaneous (10)		117.75	-0.4	1919		46.94 6.49	314.46	310.14	305.91		224.76
71	THAESTMENT TLOSTE (TT	D	. (213.68)	-0.1		5.00	0,47	213.85	116,75	115.63		
81	Mining Finance (4)		773 08	-0.7	15.16		8.32	124.84	211.43 124.57	298.43 124.89		
<u> </u>	Overseas Traders (20)		342.61	-	14.23	7.16	8.94	342.47	336.64	331.09		
99	ALL-SHABE INCEX (750)	236.35	-0.5	_	5.47	_	237.52	235.76	230.90		191.25
	FIXED INTE	REST PRICE		\neg	FIX	ED INT	EREST		Thurs.	Wed.,	Year	
					4		MZ. Ar. E	iros Red.		Mar. 1	28 28	(Shbcor)
2	ritish Government	Thurs. Day	's xd ax		adj.	1 Low 2 Compons		5 years		9.55	9.40	7.84
	ONEMHER	Mar. chan	ge toda	7 19	19	- Cundana	1	5 years		11.24	11.14	10 15

_	FIXED INT	EREST F	RICE IN	aices	•		Y	INTEREST IELDS Ar. Gross Red.	Thurs., Mar.	Wed., Feb. 28	Year ago (approx.)
_	British Government	Thurs, Mer.	Day's change	xd adj. today	xd adj. 1979 to date	1 2 3	Low Coupons	5 years	9.55 11.24 21.99	9.40 11.14 11.90	7.84 20,15 18.61
2	Under 5 years 5-15 years	204.17 113.25	-0.43 -0.74	0.13	1.87 1.23	5 6	Medina Coupons	5 years	12.08	11.92 12.49 12.56	9.91 11.15 11.32
4	Over 15 years	117.46 129.86	-0.58 -0.38	0.15 0.33,	2.24 1.78	7 8 9	High Coupons	5 years	12.45 13.07 13.14	12.23 12.95 13.07	10.57 12.07 12.16
5	Ali stocks	111.16	-0.55	0.09	1.88	10	Irredecuable		11.32	11.28	20.36

	Thur. March 1 Index Yield No. S						, ,	. 1	٠.
16 20-yr. Red. Deb & Loans (15) 16 Investment Trust Prefs. (15) 17 Ceml. 80d Indl. Prefa. (20)	49,80 14,16	49,50	49.25	49.25	48.86	49 68	40.40	40.00	1

old. Highs and loss record, bese dates and values and com A list of the constituents is available from the Publishers, the don, ECAP 48Y, price 13p, by post 22p.



King & Shakson Mgrs.

Lloyds Bk. (C.I.) U/T Mgrs.

P.O. Box 438, 1211 Geneve 11 (Switzerla

Management International Ltd.

Murray, Johnstone (Inv. Adviser)

Nat. Westminster Jersey Fd. Mgrs. Ltd

Quest Fund Magmat. (Jersey) Ltd.

Priors at Feb. 28. Next deals:
Richmond Life Ass. Ltd.
48, Athal Street, Douglas, 1.0.M.
(w) The Silver Trust. 11413
Richmond G.Bd. 1255
40. Platinum Bd. 1882
19
0. Barnond Bd. 1026
10. Barnond Bd. 1026
10. Earl Inspone Bd. 1103.0
10. Priors ou Feb. 12. Next Deals:

Dealing to: P.O. Box 73, St. Heller, Jersey.

Schlesinger International Mngt. Ltd

J. Henry Schroder Wagg & Co. Ltd.

120, Cheapside, EC2. 01-588 4000 (Desp S Feb. 27 Sil 71 Crallagar Jan. 31 Sil 313, 93 Adau Fd. Feb. 19 Sil 313, 19 59 Adau Fd. Feb. 22 AS2 04 217 520 Japan Fd. Feb. 22 Sil 58,00 457 035

Schroder Life Croup Enterprise House, Portsmouth.

PO Box 194, SL He

M & G Group

Allied Hambro Scoup (a) (g) G.T. Unit Managers Ltd.9 6. & A. Trust (a)(g) 2 St. Mary Axe, EC3A 88

Searchan Royal Ex. Unit Mgrs. Ltd.

westment Intelligence Ltd. (a)(g)

wort Heason Unit Managers V

1715 1557 628 488 628 658 471 715

31.4 +0.2 3.00 32.4 2 214

報21-04 207 第第-03 2五 CH SL, EC3M 6AA. 58.3 1 4.78 3 Frederick's Pl. Old Journ, EC2 01-588 4111 3 Frederick's Pl., Gld Jewry, EC2
Extra locome 30.0 32.5
Income 45.3 44 ber Unit Mynt. Co. Ltd. Arbuthnot Securities Ltd. (al(u) rivate di. Erns. & Assets

REEAS TRACERS 12 -02 MINES (1) 137 -12 NEW LOWS (3) INDUSTRIALS (2) aring Brothers & Co., Ltd. 4 (a)(x) Change 1974.79 pm 5825 152 655 525 424 726

The British Life Office Ltdy (a) Lewson Secs. Ltd. 9 (a)(c)

37, Queen's St., London ECAR IBY

\$7, Queen's

Do. (sen. Accum. | 523 | 533 | 531 | 549 | 540 | 551 | 592 | 595 | 500 | bir. Accum. | 54.0 | 48.4 | 0.1 | 8.57 | 500 | 551 | 592 | 595 | 4.51 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 |

| Color | Colo Crescent Unit Tst. Mingrs. Ltd. (a)(g) 4, Melville Cres, Edinburgh 3. 031-226 4931 Cres Amer. Fd. 23.2 24.9 -0.1 1.66 Cres Internal 7. 29.6 53.9 -0.6 1.00 Cres. High. Dist. 47.0 50.4 -0.1 9.30 Cres. Reserves. 41.5 44.8 d -0.3 5.16 Cres. Totyce. 24.6 26.9 -0.4 1.97 4, Melville Cres, Ediburch 3. U33-226 993.

Cres Anner, Fd. 22 2 24 9-0.1 1.66

Cres Infarront 1. 22 2 2-0.8 1.00.

Cres High Dis. 47.0 50.4 -0.1 950

Cres Reserves 41.5 41.80 -0.3 5.16

Cres Tokyo. 22.6 25.9 -0.4 19.0

Discretionary Unit Fund Managers 1.22, Bondied SC ECM 7AL 01-636 4485

Dis. Inc. Feb 29 183.9 196.1 1.494

E. F. Winehester Fund Manut. Ltd. E. F. Winchester Fund Margt. Ltd.
Old Jewry, EC2.
Great Winchester 17.7.
Great Winchester 1

Enouty & Law Unt. Tr. #4 9 (a)(b)(c)

Amerisam Rd, High Woombe. D894 33377

Equity & Law 170.6 74.3 -0.4 4.32

James Finlay Unit Trust Managers Ltd. 9 (a)

James Finlay Unit Trust Managers Ltd. 9 (b)

J. Finlay Internal 230 24.7 +0.6 3.36 (c)

Accum. Units 27.3 29.4 +0.2 3.36 (c)

Accum. Units 27.3 29.4 +0.2 3.36 (c)

J. Finlay Income 75.5 36.7 8.9 (c)

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01-606 4803 562 -0.6 6.54 79.0 -1.0 7.34 50.0 -1.0 6.51 62.6 -0.4 8.62 31, St. Andrew Ste AS, Gracechurch St., ECSP 3HH. 01-623 4200

N.P.I. Git, Un. Tst. 50.1 53.4 4 4.00

(Accum, Units) 52.4 66.4 4.00

(Accum, Units) 125.4 163.30 2.20

(Accum, Units) 126.5 155.1 2.20

"Prices on Feb. 22. Next dealing March 27, Prices on Feb. 28. Next dealing March 27. 02-606 6060.

Minster Fund Managers Ltd.

01-623 1050

reet, SW1A 9JG. 01-930 7333

NEL Trust Wanagers Ltd.9 (a)(g) Pearl Trust Managers Ltd. (2)(0)(z) 01-405-8441 27-4 4.75 37-9 -0.1 6.85 40.1 -0.1 5.09 52.7 -0.1 5.09 Pelican Units Admin. Ltd. (g)(z) 57:63 Princes St., Manchester ...[95.6 102.7] -0.1| 4.48

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

larclays Life Assur. Co. Ltd.

AMEV/Framilination

252 Romfard Pd., E.T.

4. Great St. Helens, London EC3P 3EP 68-73 Queen St., Edinburgh EH2 4NX Dealinss to. 01-554 8899 or 031-226 7351 Save & Prosper Securities Ltd. 40-21 -021 249 74-11 -05 227 59.14 - 0.24 7.23 47.52 -0.4 8.50 95.7 -0.8 3.24 105.0 -1.9 15.7 41.8 -0.5 17.6 73.4 -1.3 0.64 95.8 -1.3 80.1m -0.4 77.3 -0.3 "第二十二十元 154.8 164.0 - 4.51 Scotyleid 223.2 236.5 4.51 Scotyleid

Crusader Insurance Co. Ltd.

Equity & Law Life Ass. Soc. Ltd. 9

General Portfolio Life Ins. C. Ltd.y

Growth & Soc. Life Ass. Soc. Ltd.V

Guardian Royal Exchange

£7.962

.... 201.70 210.10f

Provincial Life Inv. Co. Ltd.

Relianae Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rowan Unit Trust Mngt. Ltd. (N)

Royal Tst. Can. Fd. Mors. Ltd.

City Gate Hse., Firsbury Sq., EC2. 01-606 1066
American March 165.5 60.0 -3.5 1.40
Secarlises Feb. 27. 183.5 192.5 4.45
High Yield Feb. 23 54.1 57.2 9.10
(Accum. Units) 79.4 71.6 9.10
Aeria Feb. 28 25.2 99.7 3.27
(Accum. Units) 107.2 112.9 3.87

01-629 8253

Prudi. Portfo9o Mngrs, Ltd.♥ (ui(b)(c)

Ouadrant Gen Fd | 109 | 113 7 ... | 4.28 Ouadrant Income..... | 126.7 | 130 7 | 0.49

gement Co. Ltd.♥ , £02×1 HP. 01-600 =177

01-831 6936-9 经 153 Stewart Unit Tst. Managers Ltd. (N) 031-226 3271 040364141 Target Tst. Magrs. Ltd.9 (a) (g)

Uoit Trust Account & Mgmt. Ltd. King William St. EC40 9AR 01-62 Wieler Growth Fund Royal Insurance Group

Sehlesinger Trust Mingrs. Ltd. (u) (z) .

J. Henry Schrader Wogg & Co. Ltd. Y

Scottish Equitable Fnd. Mgrs. Ltd.9

Sebag Unit Tst. Managers Ltd.y (N)

Mariet Leaders
'NII Yield'......
Pref. & Gilr Trust

(0306) 86441

-8.1 -8.2

மாவ். Feb. 28

Tyndall Managers Ltd.9

exempt Feb. 28 (Accum. Units) nt. Earns

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TSB Unit Trusts (y)
21, Chartry Way, Andreer, He
Deathings to CO

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Sun Aillance Fund Mangmt. Ltd.

Sun Alliance House, Hersham. 6403 64141 Exp. Fd, Int. Feb. 14 .E147.6 153.9

41.7:4 -0.3 5.91

强 二 7%

-0.5

Trades Union Unit Tst. Managurs♥

Windsde Park, Eveter, Cap Growth Fun-office, Exempt Fd Gexempt Prop Fd Exempt Inv 7st Fo 0392-52155. Seitrader Life Group

Equity Bono*
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Fumily 74-50*
Family 81-86* lomew CL, Wsitham Cross, WX31971 0202 767655 Merchant Investors Assurances Lean Hse., 233 High St., Croydon Weir Bank, Bray-on-Thames, Berks. D628-34284 01-293 7107

NEL Pensions Ltd.

Sec. Littly (a)(c)

Se

| Pearl Assurance Co. Ltd. | Pearl House, Caspel Ass Wison. | Pool of the Company Pearl Assurance Co. Ltd. | Pearl House, Caspel Assurance Co. Ltd. | Pearl Assurance Co. Ltd. | Pearl House, Caspel Assurance Co. Ltd. | Pearl Assurance C

Prop. Equity A Lift Ast. Co.V | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.000 2007 | 10.0000 2007 | 10.0000 2007 | 10.0000 2007 | 10.0000 2007 | 10.0000 2007 | 10.0000 2007 | 10.000

OVERSEAS FUNDS Allen Harvey & 9044 Inv. Mgt. (C.I.) 1 Channg Cross, St. Hefres, Jey. C.1. 0534-73741 AHR Gin Eog.Fd.(£11.01 11.06m]+0.63] 12.47 tralian Selection Fund NV

35 Boulevard Royal, Luxembourg G.O. Barbican Manugers (Jersey) Ltd.

December 1985 | 1987 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | N bashi Jan. 31 | Y18,411 | | — G P.O. Box 590, Hore kong Nippon Fund Feb.28... | SUST 133 | 20.19 | 0.82 0534 73114 30, Bath St., St. Helier, Jersy Brown Shipley Tst. Co. (Jersay) Ltd.

Capital International S.A. Charterhouse Japhet

Clive Investments (Jersey) 1.1d, P. O. Box 320, St. Helser, Jersey 0534 3736.1 Clive Gift Fd. IC.1.1 10.52 10.34 10.62 Clive Gift Fd. Usy 1 10.53 10.35 10.63 Cornhill Ins. (Suernsey) Ltd. DWS Deutsche Ges. F. Wertpapiersp

Dautscher Investment-Trust Postlach 2685 Biebergasse 6-10 6000 Franki 01-588 7081

4 Fore Street, EC2 01-588 7081
Eng. Ass, Sterling*... 1652.8 52.301-40.17
Wardgate Cm. Fd. 7. 1614.22 14.80461-247 2.70
"Next dealing March 7. "Next dealing March 30. | Lincobonia Holdings N.V. | 41, Li Motte St, St. Heller, Jersey. | 75, 347,7588 | 12, 12, 147,7243. | Telex 881,4408. | 15, 10, 1247,7243. | Telex 881,4408. | 161, 10, 1247,7243. | Telex 881,4408. | 161, 10, 1247,7243. | Telex 881,4408. | 161, 10, 1247,7243. | 161, 10, 1247,7243. | 161, 10, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,7243. | 161, 1247,72 1-2 Laurence Pountney Hill, EC40 DBA 01-623 4660 Crnt. Fd. Feb. 21 ____| SU55.70 | | —

Crnt. Fd. Feb. 21 SUS5.70 Ltd.
Fidelity Mgont. & Res. (Bda.) Ltd.
P.O. Box 670, Harviton, Berguda
Fdefity Am. Ass. SUS24.00 Fidelity Pac. Fd.
SUS23.89 Fidelity Pac. Fd.
SUS23.89 Fidelity Wrid Fd. SUS23.89 Fidelity Wrid Fd. SUS23.89 Fidelity Wrid Fd. SUS23.89 Fidelity Wrid Fd. SUS23.89 Fidelity Wrid Fd. SUS23.89 SETION SUS23.89 Fidelity Wrid Fd. Susan Susa

| Series Viking Commodity Trusts | 10-12, St. George's St., Douglas, L.M. | 0624 25015 | 15t. Vik. Cm. Tg. | 173.6 | 45.9 ml | 3.20 | 3.20 | 3.20 | 5t. Vik. Doi. Op. Tg. | 43.7 | 44.0 | 3.20 | 5t. Vik. Doi. Op. Tg. | 43.7 | 44.0 | 3.20 | 5t. Vik. Doi. Op. Tg. | 43.7 | 44.0 | 3.20 | 5t. Vik. Doi. Op. Tg. | 43.7 | 44.0 | 3.20 | 5t. Vik. Doi. Op. Tg. | 43.7 | 44.0 | 3.20 | 5t. Vik. Doi. Op. Tg. | 43.7 | 44.0 | 3.20 | 5t. Vik. Doi. Op. Tg. | 43.7 | 44.0 | 3.20 | 5t. Vik. Doi. Op. Tg. | 44.0 | 3.20 | 5t. Vik. Doi. Op. Tg. | 44.0 | 3.20 | 5t. Vik. Doi. Op. Tg. | 44.0 | 3.20 | 5t. Vik. Doi. Op. Tg. | 44.0 | 3.20 | 5t. Vik. Doi. Op. Tg. | 45.0 | 5t. V

Bartmore Invest. Ltd. Ldo. Agts.
2, St. Mary Axe, London, EC3, 01-283 3531
Sartmore Fund Mapt, (e.t.) Ltd. (e)(a)
4b. Broad St., St. Helfer, Jersey 0534-73741
4b. Broad St., St. Helfer, Jersey 0534-73741
4c. Broad Jones Fund Mapt, (Far East) Ltd. (a)(b)
1503 Hottottom Hoe., 10 Harmont Rd, H.Kong
4c. History 1504 10 Helper Holler, 1504
4c. Par. U. Tst. 155-96, 3-87064
4c. Par. U. Tst. 155-96 3-Way inf. Feb. 22 | SUS2 78 | 2-723 | SUS2 78 | Hambro Pacific Fund Mgmt. Ltd.

Hambro Pacific Fund Mgmt. Ltd.
2110. Consuspit Centre, Hong Kong
Far East March 2. IRC10 M 14.22 - 1.2 |
Japan Fund Feb. 23 | SUS9.51 | 9.98 |
Humbros Fd. Mgrs. (C.I.) Ltd. |
P.O. Box 86. Guernsey. (0481-26521
Capital Reserve Fd-1819.4 | 10.03 | 10.25 |
Int. Sond SUS102.09 105.25 | 8.50 |
Int. Sond SUS102.09 11.7 | 2.10 |
Int. Sond SUS102.09 11.7 |
Press on Feb. 28. Neel dealing March 7. |
Textudes, initial charge on small orders. |
Henderson Baring Fund Mgrs. Ltd. |
605. Gammon Hause, Hong Kong. Union-)nvestment-Gesellschaft men
Postlach 16767, 0 6000 Frankfurt 16.
Unifonds DAY 20 39.40 Univertic DAY 6 50.05 Univertic DAY 6 5 605, Gammon House, Hong Kong,
Japan Frend Feb. 28. USSC164 27 57 - 0.18 - Pacific Fund Feb. 28. USSC164 27 57 - 0.18 - Pacific Fund Feb. 28. USSC164 27 57 - 0.18 - Exclusive of any preum, charges.

Hill-Samuel & Co. (Guernsey) Ltd.

| Jardine Fleming & Co. Ltd. | 46th Floor, Concargnit Centre, Hong Kong | 14th Floor, Concargnit Centre, Hong Kong | 14th Floor, HSS313, 99 | 14th Floor, 14th Flo

World Wide Crowth Managemento North write brown managers

10a, Boulevard Royal, Luxembourg

Worldwide Gth Fdl SUS16.19 |-0.01| —

Wren Commodity Trust

Prices do not include \$ premium, except where indicated 9, and are in pence unless otherwise indicated. Yield: % I shown in less column allow for all buying expenses. A Offered prices include all expenses. Today's once, e Vield based on offer price, it is estimated. D Today's opening price. In Distribution trees of UK tases, a Periodic premium insurance plans, a Single premium insurance, a Xiley opening price in the premium insurance, and price includes all expenses except lagent's commission, y Offered price includes ull expenses in department of the price includes all expenses of the price of the price includes ull expenses of the price of the p

March 2 1979

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1926 | Paris 6

S.E. ACTIVITY

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FOR 1978/

MOTORS :1.

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PAPER 17

PROPERTY 114.

SHIPPING (1)

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Undated

INTERNATIONAL BANK CORPORATION LOANS

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COMMONWEALTH & AFRICAN LOANS
964 924 Aust. 5-29c 77-80 ... 96
984 814 00. 5-29c 81-82 ... 96
962 92 N.Z. but 76-80 ... 944-281 ... 6-35 11.94
962 92 N.Z. but 76-80 ... 79
874 742 Do. 72-9c 83-96 ... 79
9512 844 581 Africa 9-9c 79-81 ... 9312 +1 10.48 13.82
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BUILDING INDUSTRY TIMBER AND ROADS

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Chrysler signs Ford advertising agency

MR. LEE IACOCCA, president of Ford Motor Company until last July and now president of Corporation, has algned up an advertising agency wblcb bas worked for Ford since 1945 to handle exclusively Chrysler's \$150m (£75m) a year

The announcement of this "one-upmanship" Detroit-style yesterday overshadowed a simultaneous disclosure that Mr. Eugene Cafiero, vice-chairman of Chrysler and president until Mr. Iacocca's arrival last November, is severing his links with the company.

His resignation, accepted by the Chrysler Board at a meeting in New York yesterday, was in line with an understanding reached last autumn that he would stay on with the com-pany only until the spring, Mr. Iacocca said.

Both developments underline the grip which 54-year-old Mr. Iacocca now bas at Cbrysler and which he prohably never had anthority lies with Mr. Henry
Ford II, the company's
chairman. A serious disagreement hetween the two led to
Mr. Iacocca's sacking last

Hr. Iacocca's satisfaction at luring the advertising agency, Kenyon and Eckhardt, away from Ford was clearly evident at his Press conference in New

Ford was informed of the agency's defection only at 11 am yesterday. It will undoub-tedly feel chagrin at losing a company which has developed some of its most successful corporate campaigns.

Although J. Walter Thompson handles a larger portion of Ford's advertising expenditure, Kenyon and Eckhardt was responsible for about \$75m of its hillings last year and obviously held the longstanding respect of Ford executives, including Mr. Iacocca.
Chrysler claimed that its

chrysler claimed that its arrangement with Kenyon and Eckhardt "Is helleved to he the largest transaction in advertising history," but Mr. Iaccoca also stressed the "unique total marketing partnership" which is planzed to involve the agency in corporate planning through the presentation on Chrysley's product planning and marketing committees.

end of January and leaves out Transport Association are to in the pipeline are expected to In the cold Chrysler's three meet in Geneva on March 28 to current agencies, Young and examine air fares in the light gallon by the spring, and it is over, and that last year's could be 70 cents before the end cheap fares "explosion" on the mendations to their governtake 90 days although Kenyon and Eckhardt has offered to continue working for Ford for another 180 days. "This is not unethical," said Mr. Iacocca, adding: "Ford has still some agencies left. This is a competitive company."

Airline fuel currently costs

SIME DARBY Holdings, the Far Eastern multinational con-

glomerate, has increased its bid

cent more of Guthrie's shares.

Sime says that this bid valuing Guthrie at £153m is its

top offer, and that it is obliged

to abide by this promise under City Takeover Panel rules.

The Guthrie hoard immediately rejected the new

offer, saying that it was not in the best interests of Guthrie or

lts employees and that it under-

for Gutbrie Corporation, the Sime offers 860p British plantation group by Sime Darby shares 531m, and has hought 14 per two Gutbrie shares.

Drop in U.S. economic index four-year record

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

economic indicators declined in over three consecutive months January by the higgest amount or more is supposed to portend in four years, indicating a significant contraction, and perhaps a recession, in economic activity later this year.

The 1.2 per cent drop in the index, which is designed to forecast economic trends, is the steepest since the 3 per cent fall in January, 1975, when the U.S. was already in the throes of

The figures, which the Commerce Department emphasised were provisional, follow declines of 0.4 per cent and 0.1 per cent in November and December respectively. Those calculations have themselves been revised; originally, the index was esti-mated to have fallen by 0.6 per cent in November and by 0.5 per cent in December.

THE U.S. index of leading direction of the index spread fall in new huilding permits, a major shift in economic fortunes. The measurement is not, however, infallible. In the early summer of 1977

three consecutive monthly declines pointed to a substantial fall in economic activity which did not materialise. But the depth of the January decline fits in with the forecasts of many economists both inside and outside the Government.

Officially, the department reacted cautiously to the news: a representative said that: "It looks like the leading indicators are trying to signal something hut what that something is to he we don't know yet. It is an indication of a slowdown; it is not necessarily a sign of a re-

which reflects the previously reported 20 per cent drop in housing starts so far this year, and the contraction in the growth of the basic money supply (M1), which the Federal Reserve is trying to rein in as part of the fight against inflation.

Five of the ten components included in the compilation of the index went down and the other five rose, among them new orders and contracts for plant and equipment and what is known as vendor performance. Those reflect some of the continued underlying strengths of the economy in the form of reasonable levels of husiness investment and consumer spend. ing-though there is doubt as to how long the consumer spend-Classically, a change in the January decline were the sharp sustained.

Swiss to investigate Iranian bank deposits

BY JOHN WICKS IN ZURICH

SWISS AUTHORITIES are looking into the question of Iranian of official action hy the Swiss funds deposited in the country. with parallels to the present Following an announcement hy the National Bank that it is to ascertain the volume of such assets held by 25 sample banks, the Federal Government said it is setting up an inter-Ministerial working party to investigate a "number of political, diplomatic already transferred to former and legal questions" in connec-Algerian politician Ben Bella tion with an Iranian request to and which, it was claimed, con-freeze Swiss hank accounts of sisted of FLN funds entrusted the Shah and members of his to Ben Bella for investment family.

The Government, bowever, is not to accede to the request. The Minister of Justice, who is to head the working party, says that the nationalisation of these assets ordered by the new Iranian Government applies to

There are only few examples Switzerland - it seems likely after the war of Swiss accounts helonging to former SS mem-hers, the only similar instance was when the Algerian Government called on a Geneva-based hank to pay money it had already transferred to former

In this case, long-drawn-out civil proceedings which when as far as the Federal court reassets ordered by the new sulted in a defeat for the stood.

Iranian Government applies to Algerian Government. If Beroe A National Bank spokesman should decide to grant legal-aid said results of the inquiry not ohliged to carry out a simi-facilities to Iran — which has should be published early next no legal ald agreement with week.

that the claim would also lead to complicated civil proceed-ings, since any rapatriation of the funds would bave to he ordered by a judge.

The Investigations: by the National Bank are without precedent in that they constitute a move in connection with an individual country. In fact, the national hank regularly collects information involving Iranian assets in Switzerland's 72 leading hanks but publishes these annually as part of a multicountry regional figure. The 25 "sample" hanks now being ap-proached account for some 80 per cent of Swiss hanking's foreign husiness, it is under-

Air fares likely to rise by 5%

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

defence document with profits

Sime offers 860p and three Sime Darby shares for every

This offer is worth 530 to a share. If UK residents take up

The effective premium is 431 per cent, and would cost 29p for

Sime Darby bid for Guthrie up £31m

The agreement follows an MORE THAN 100 member-air on average about 44 cents a prices and supplies, will be re-approach by Mr. Iaccoca at the lines of the International Air U.S. gallon, Price rises already porting to the Geneva meeting.

of Guthrie yesterday brings the

total held by the group and its

subsidiaries up to 20 per cent. Mr. James Scott, chairman of

porting to the Geneva meeting. Many airlines now believe

North Atlantic is not likely to

Guthrie promised a new will offer to huy Sime shares the new offer. efence document with profits which Guthrie shareholders do Mr., Ian C

Mr. Ian Coates, managing director of Guthrie, was confi dent that the new offer could be repulsed. He said that the sellers of shares were the "punters," and Sime would not find it so easy from new on.

The family trusts, which own ahout 16 per cent of Guthrie, and M and G unit trust, which owns just over 11 per cent were not expected to accept the revised offer.

For the rest it was "a ques-tion of hearts and minds. We have to parsuade people," be

per cent, and would cost zep los each Sime ahare. Shareholders he bad not nought more can opt to accept an alternative hecause he did not want to pay all cash for Guthrie. He would to some extent in This is possible hecause rather pay to some extent in have Aseambankers Malaysia Bhd Sime shares, which are part of said. vained the group. SHORTAGE OF HIDES SQUEEZES LEATHER INDUSTRY

Tanners' capital needs triple in 1½ years

and dividend forecasts for 1979.

Sime offers 860p and three

Sime's purchase of 14 per cent

share. If UK residents take up this offer they will have to pay the investment currency premium on the Sime Darhy shares they have received.

The effective premium is 43!

Mr. James Scott, chairman of Sime, said yesterday that he was "certain" of success.

He had been told by the market that bolders of 10 or 15 per cent more were willing

BRITISH industry is heing seriously squeezed by soaring prices for hides and a flood of cheap imports of finished goods.

Tanners are running into liquidity problems because of the price rises and workers are being laid off or made redundant, Mr. Gny Reaks, director of the British Leather Federation, said yesterday.

And the crisis is not confined to Britain. Processors in Europe and the U.S. are also under pressure.

In the last month, fierce competition at anctions, prompted by a world-wide shortage of hides, bas pushed prices up by as much as 40 per

At Manchester yesterday. hides which cost £22 before Christmas were selling for 634. In Wiesbaden, West Germany, prices ranged 32 to 39 per cent higher than a

"The main problem is

financing operations," a leading trader said. "Now you have to have two

or three times the capital you needed 18 months ago, and it's not easy to manage it at today's interest rates and in the present market candi-

Mr. Reaks said he knew of tanners whose capital requirements had risen by as much as film or f2m in recent months. The EEC Commission had taken some action to belp the European ludnstry, but more was needed.

Hides are in short supply because of reduced world beef production, which is ex-pected to continue throughout this year.

The difficulties have been aggravated by the rapid expansion of leather industries in countries like Talwan South Korea, Japan and the

The USSR, for example, has just completed four tanneries and is scouring the world for hides to supply them.

There are no significant indigenous supplies of skins in the Far East, and buyers from these countries bave turned to Australia, New Zealand, the U.S. and now the EEC.

Five years ago, only about 25 per cent of UK hides were exported. Now the figure has risen to almost 80 per cent. The U.S. recently exported about balf its trades but, in December, the proportion had risen to 90 per cent, Mr. Reaks

Far Eastern processors and manufacturers, with their relatively low labour costs. can pay high prices for raw materials and still undercut their competitors in the world's main markets for finished goods.

The Leather Federation has

won some protection through the KEC Commission against cheap imports from Brazil. Other countries are being investigated, but the Brussels anthorities say it is not possible for countervailing import duties to be imposed to protect European manufacturers.

Meanwhile, British trade unions are threatening uni-lateral action to prevent the export of hides. A union delegation visited the Manchester anction yesterday to investigate the state of the

"If nothing is done, the tanncries will go for a burton," Mr. Norman Williams, Merseyside organiser of the Transport and General Workers' Union said. "We want a complete embargo on the export of bides. We are considering

picketing docks and abattoirs

to stop the hides."

Leasing growth warning by Bank

By Michael Lafferty. Banking Correspondent

THE BANK of England has heen warned hy one of the big four clearing banks that the recent phenomenal growth in leasing could hold the seeds of a new secondary hanking-type crisis.

News of the warning has come at a time when some clearers fear that the Government may well amounce changes on the tax law governing leasing, and car leas-ing in particular, in the Budget on April 3.

In the past year the total value of plant and equipment and motor cars leased by members of the Equipment Leasing Association increased hy almost 70 per cent, to a total of £1.2bn following a 50 per cent jump the year hefore. The biggest growth area during 1978 was motor cars, where purcheses by Association members were up

more than six times at £343m.

The Association claims that the 1978 car leasing boom arose primarily from the relaxation in hiring controls in mid-1977. But many observers believe that an important tax case decision allowing finance companies to get 100 per cent tax rellef on cars costing more than £5,000 was a major factor. In contrast, industrial companies

may claim annual write-offs of only no to £1,250 per car. The clearing bank drew the Bank of England's attention to this anomaly, and some of its consequences. Most out-standing are said to be the many fringe leasing schemes now offered and the increase in so-called business leasing of "exotic cars."

according to the hank concerned, could be the recent growth in leasing by non-financial companies seeking "tax shelter" for profits which would otherwise be liable to corporation tax. Examples of companies known to be in this area are the Ladhroke Group, the gaming convern, Marley, the tile company, and Hogg Robinson, insurance brokers. Well-known high street retailers are also said to be involved. The clearing bank says it

fears that collapses could eventually result from allowing industrial and other conpanies to become involved in an area which requires considerable financial and hanking experience.
It also believes that the

figures released by the ELA may not he an accurate reflection of the true extent of leasing growth, since the data published is limited to Association members. Earlier this week, National

Westminster Bank, the higgest force in the car leasing market, revealed that it is retaining a provision of £125m for possible tax clawbacks on leasing business. Almost all of this relates to motor cars.

Weather

UK TODAY MOSTLY dry. Sunny intervals. Cloudy with occasional rain in the North. Max. 45F (7C). London, S.E., E. Anglia Rain at first. Dry and sunny

Midlands, E. England, Cent. S. England

Mostly dry. Sunny intervals. Wales, N.W. England, N.E. England Occasional rain. Scotland

Bright at first. Rain later. Outlook: Sunny intervals and wintry showers in most parts. Southern England may have cloud and rain at first. WORLDWIDE



THE LEX COLUMN

EMI warns and Hoover cuts

The dilemma for the Bank of England today is that a hig new tap issue which domestic investors would recognise as being intended to steady the gilt-edged market during the run up to the Budget might be regarded as a red rag hy the overseas hulls.

EMI's results were roughly 90 minutes late coming out yesterday afternoon and it is a reason-able assumption that it was the wording of the last paragraph of the statement — that the results for the year are unlikely to justify the maintenance of the final dividend—which kept the hoard arguing past lunchtime. It is a step that EMI refused to take last year, when its dividend was uncovered, because of hopes that recovery was just around the corner. It now turns out that any improvement this year

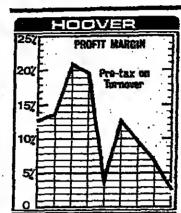
will he indeed modest. Pre-tax profits after six months have edged ahead from £19.37m to £20.06m, good advances in the music and leisure divisions being almost entirely offset by further severe losses in scanners. Last autumn EMI was wondering whether at some stage during 1978-79 this husiness would reach break-evan. It turns out that with the problems of the market being compounded by late deli-very of new models, first half losses of £9.4m pre-interest have heen as large as in the second six months last time while sales bave almost halved compared with the first half of last year. Despite taking in \$71m of royalty income from Johnson and Johnson in the current six months, further large losses seem inevitable.

In the light of all this the pre-tax profits target of £50m which the City was once setting for EMI this year has now been drastically scaled down to £35m or even less. This would still give grounds for hoping that the sive grounds for hoping that the final dividend could be as much as the half-time payment, indicating a yield of 8.9 per cent after the 15p fall in the share price to 11Sp. The problem is that the market no longer has any clear idea of what EMI's yield actually is, which leaves the field open to wide swings of cent.

But the hetting is that most UK residents will take the cast of the statutory alternative, which has been underwritten overseas or the offshore funds. At any rate the dollar premium was weak years any clear idea of what EMI's promptly dropped by 20p to terday, and no one seemed to be anticipating a big surge of the field open to wide swings of cent. the field open to wide swings of cent. sentiment in the coming months.

capitalised at just £128m in the high import

Index fell 5.7 to 476.1



profits of well over £40m from its music and leisure businesses. Unles success comes soun there is bound to be growing pressure for EMI to change its shape as well as its spots.

Hoover

At the end of 1976 Hoover was making profits of close to £20m, had £22m of cash in the hank and was investing heavily in new rapacity to hoost its washing machine output by up to 50 per cent. Yesterday it announced that its 1978 profits had siumped from £12.2m to £5.3m and the £10m cash halances at the end of 1977 had been transformed into a 14m

To make matters worse, this sharp downturn was not due to strikes, as it was in 1974, but occurred against a hackdrop of one of the higgest post-war spending booms. If Hoover can-not make lush profits under

licly stated that he saw no What has gone wrong is that

The British equity market at last year Hoover's costs rose by appetite for dividend from Italian imported washing stockmarket but which is Whereas French and German ject at least segenerating pre-interest annual producers are to some extent into the offer.

protected because of the local bias towards high priced quality products, here in Britain one-sumers seem to be much mine interested in the low priced imports against which hoose cannot hope to compete if the trend continues Britain's wath-ing machine industry will account ing machine industry will som disappear.

J.

laMais : "

Barzani 😘

hab trial and

Sime Darby/Guthrie

Sime Darby's second—and final—offer for Guthrie hotestempting it comes in two forms either a package, of which three quarters is cash and the reat equity or an underwritten cath alternative worth 528 p per share. The latter values the group at £150m, which is around 60 per cent above the stock market price in January shortly before Sime showed its hand, it before Sime showed its hand. I compares with net assets of £181m on the hasis of Guthrie's recent revaluation, and profits of £20.3m pre-tax in 1978. After allowing for the 40 per cost dividend increase forecast for 1975, the yield at the bid price would be around 6 per cent.

But although the terms look attractive, the outcome is still finely halanced. Over a quarter of Guthrie's shares are in hands which are hostile or at least up-friendly to Sime. Perhaps a-tenth are held in the Far East, which might he counted in the Sime camp, and Sime itself has taken its holding up to a fifth after some aggressive buying vesterday. It has not got a bottomless purse, however, and it pulled out of the market later. in the day.

A feature of the hid is that Sime, which is an overseas com-Hoover has a deserved reputation of heing a financially strong and well managed company. As recently as October, 1976 its finance director publicly stated pany for exchanga control attr-

demand.

this way is that the Bank of present is savage to companies 12 per cent but its prices rose England ruled out the idea of which disappoint the Institute by 8 per cent, while competition using the paper of its UK. using the paper of its UK domiciled subsidiaries to finance the deal, while a conditional Income. Yet at some point there machines (roughly half the UK the deal, while a conditional must also he support from the market) led to a further fall in rights issue in the Far East underlying worth of the various market share. No other major proved to be impracticable. And parts of the husiness, which is European market has such a since Sime's net assets are only penetration. around £150m, it needed to fa-and German ject at least some of its equity

This announcement appears as a matter of record only.



has acquired a fifty per cent interest in



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